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JAPAN

1

International Affairs

Article Discusses Armacost's Impatience

WA17090416 Tokyo ASAHI SHIMBUN in Japanese
30 Aug 90 p 2—FOR OFFICIAL USE ONLY

[Unattributed article in the "Window" feature]

[Text] It is generally felt that diplomats are perfectly dressed, courteous people who speak without emotion. However, this may no longer be the case. It was surprising that Ambassador Armacost called a meeting with media editors and openly criticized a "Japan that does not want to assume any 'risks.'"

Ambassador Armacost complained that he could not obtain any positive cooperation in having vehicles shipped to the Gulf. Earlier, he met with Shintaro Abe of the Liberal Democratic Party [LDP] and requested cooperation in this matter.

Perhaps Ambassador Armacost wanted Japan to understand the United States' burden of having to send larger forces into the extreme desert heat, which is costing the United States \$1 billion a month. Therefore, he inadvertently vented his frustrations. According to colleagues who attended the meeting, taping was allowed. This perhaps means that Ambassador Armacost was determined to work on Japan's public opinion, even at the risk of criticism and a backlash.

It is fine for the ambassador to present the problem and to express his hopes. However, how Japan should act in the Gulf crisis involves Japan's postwar principles, and is now being discussed seriously by the Japanese people. Maybe the ambassador was overly critical. Perhaps successive U.S. ambassadors to Japan have thought it their duty to educate the Japanese concerning security issues.

Former Ambassador Alexis Johnson, who negotiated the return of Okinawa, wrote in his memoirs: "My main task on security was to clarify the U.S. Government's concern for long-term military needs in Japan and Asia and to urge the Japanese Government to take the same stand."

Does the Armacost statement also imply a zealous mission to educate those Japanese who have chosen to hide behind the constitution and turn away from security and military issues?

An important part of the ambassador's duties should also be to relay local views back to his home country. I would like the ambassador to make a full report to the American people on the importance of Japan's Constitution, which upholds peace, as well as the postwar progress we have made over the last 40-odd years.

Former LDP Official Speaks Out on Diplomacy

WA15090136 Tokyo ASAHI SHIMBUN in Japanese
25 Aug 90 p 2—FOR OFFICIAL USE ONLY

[Interview with Motoo Shiina, former head of the Liberal Democratic Party's [LDP] International Bureau;

place and date of interview and name of interviewer not given; first paragraph is ASAHI introduction]

[Text] As one of the pro-American politicians, Shiina in 1987 initiated the establishment of the Japan-U.S. Parliamentary Exchange Committee. Since then, a small group of lawmakers from Japan and the United States have been meeting once a year in hotels and other places to exchange opinions. Prime Minister Kaifu is a committee member. Shiina is also chairman of the Japan chapter of "Japan-United Kingdom 2000 Committee," a joint committee of government officials and civilians established under an agreement by former Prime Minister Nakasone and British Prime Minister Thatcher. A four-term dietman in the House of Representatives from Iwate District 2, Shiina was defeated in the February election. At present, Shiina, 60, is director of the International Economic Policy Investigation Committee.

[ASAHI SHIMBUN] At the end of July, an expanded meeting of the Association of Southeast Asian Nations [ASEAN] was held. This meeting was attended by foreign ministers to discuss "post-Cold War" security in the Asia-Pacific region. Proposals were made by Canada and Australia concerning a new framework for discussions.

[Shiina] I feel people are making unnecessary proposals when things are fine just the way they are. For instance, the Japan-U.S. security treaty is working well. However, I must agree that we need to appreciate people's concern over the insecurity which exists in the post-Cold War regions.

[ASAHI SHIMBUN] At the meeting, it was reported that concern over Japan becoming a military power was officially expressed.

[Shiina] I believe Japan has never openly discussed security issues with other Asian nations because of its shameful war past. However, other Asian nations look at Japan's defense budget and naturally show their concern. Although our defense budget is only one percent of GNP, it is still a large sum. Therefore, if we merely say to these countries, "Japan will never be a military power," our statement lacks objectivity. I believe we need to go through the process of explaining to the other Asian peoples our understanding, our role, and plans in maintaining regional security, as well as to listen to their views. Meanwhile, we need to guard the Japan-U.S. security treaty.

[ASAHI SHIMBUN] Regarding the Japan-U.S. security treaty, some LDP members suggest reviewing the treaty now that the Cold War has ended.

[Shiina] Renouncing a military alliance may turn the other country into an enemy someday. What do we gain from renouncing a working alliance? The consequences may be serious. The United States complains about different matters, but it also consumes many Japanese products and allows Japanese direct investment. I do not think Japan should choose to turn its back on a country

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with whom Japan is involved so much economically and in other ways. We have to look at the total "balance sheet."

[ASAHI SHIMBUN] By the way, discussions have been going on regarding Japan's role in the Middle East crisis caused by Iraq's invasion of Kuwait.

[Shiina] I did not expect the invasion to take place so soon. Perhaps the Middle East was in a power vacuum after the recent withdrawal of forces by both the United States and the Soviet Union. As a result, they lost control of that region. And then something unusual happened. The United Nations moved swiftly. Moreover, the Soviet Union quickly reacted, which is significant.

[ASAHI SHIMBUN] The Soviet Union cooperated with the United States concerning the UN resolution against Iraq. Moreover, it is working on forming a UN force made up of multinational forces to be sent to the Gulf.

[Shiina] A "condominium" system by the United States and the Soviet Union is developing. This is a crucial time for Japan to think seriously. The situation is gloomy.

[ASAHI SHIMBUN] Why?

[Shiina] Nations throughout the world are grading each other on their contributions to the crisis. Rules will somehow be formed to deal with post-Cold War conflicts and their management. If Japan's score is poor, our long-term international standing will be affected. If Japan remains a nonparticipant even when UN forces are called to action, Japan will be regarded as a strange nation and will be isolated. Moreover, if American public opinion views "the Soviet Union, who had been considered our enemy, is actually more helpful than Japan," then we will be in trouble. Japan should do the best it can.

[ASAHI SHIMBUN] But Japan's Constitution prohibits the use of the right to collective self-defense. What then can we do within our limitations?

[Shiina] This is a difficult problem. It will be impossible to amend the Constitution now. However, we need to take a broader view of things. Financial aid alone is not enough. We need to dispatch manpower. We have to think of our dependence on Middle East oil, and of the fact that the world is acting in accordance with UN resolutions.

[ASAHI SHIMBUN] Shouldn't we clearly set an upper limit to our contributions not only for the Gulf crisis but also for any future regional conflicts?

[Shiina] Surely. This is an unprecedented world crisis. Whether or not Japan will be considered a member nation to deal with future crises depends on what we do now.

LDP, Government Differ in Response to Gulf

OW2309115990 Tokyo THE DAILY YOMIURI
in English 22 Sep 90 p 3—FOR OFFICIAL USE
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["Political Beat" column: "LDP, Govt Divided Over Response to Gulf Crisis"]

[Text] A difference in opinion has surfaced between the government and the ruling Liberal Democratic Party [LDP] over Japan's role in restoring peace to the Middle East—a difference that threatens to develop into a major source of friction. The two sides disagree as to whether the dispatch of Self-Defense Forces personnel to the Persian Gulf violates the Constitution, which bans sending troops overseas and collective self-defense with foreign forces.

To avoid angering opposition parties, the government is maintaining that Japan should respond to the Gulf crisis within the framework of the Constitution. But LDP Secretary General Ichiro Ozawa is pressing for a loose interpretation of the Constitution that would allow a troop dispatch or other steps to settle international disputes.

Top LDP officials, led by Ozawa, maintain that sending SDF personnel to support United Nations efforts does not violate the constitutional provision and have demanded the government send troops. "I can't accept a constitutional interpretation that the dispatch of SDF personnel to support U.N. efforts violates a ban on collective self-defense with foreign forces," Ozawa told an LDP meeting on Sept. 10. "Japan could not have functioned as a U.N. member in the first place."

LDP General Council Chairman Takeo Nishioka shares Ozawa's sentiments. Nishioka branded as "makeshift" the government's proposal to send SDF personnel to the Gulf by temporarily transferring them to a "peace cooperation team." He urged the government to hold complete discussions on the legality of sending troops.

Some LDP leaders say that Japan—which has avoided participation in military conflicts because of its postwar commitment to peace—must change so it can meet its international responsibilities.

Chief Cabinet Secretary Misoji Sakamoto, however, holds that the dispatch of SDF personnel for military purposes is prohibited. He favors sending SDF personnel on nonmilitary missions.

Prime Minister Toshiki Kaifu and many of his aides are followers of the late Prime Minister Takeo Miki, who was known for his dovish views. They also seem hesitant to take a controversial stance that could anger the public and opposition parties. The opposition holds the majority in the House of Councillors.

I think a leading Japan Socialist Party politician was right when he said that LDP officials are standing firm to keep the government from being soft on the opposition.

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JAPAN

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Defense Agency Officials Back SDF Gulf Status

OW2109153390 Tokyo THE JAPAN TIMES in English
20 Sep 90 p 1—FOR OFFICIAL USE ONLY

[Text] Self-Defense Forces' [SDF] personnel should be allowed to participate in the planned Gulf peace cooperation team as members of the SDF rather than as volunteers, Ichiro Ozawa, secretary general of the Liberal-Democratic Party, and the head of the Defense Agency agreed Wednesday. Defense chief Yozo Ishikawa told Ozawa that SDF personnel can work more effectively when they are sent as organized troops under his direction rather than as a "group of volunteers."

The government was reported to be considering setting up a new category of public employees for such SDF personnel under the auspices of the Foreign Ministry, the Prime Minister's Office or the Management and Coordination Agency. The SDF members would be temporarily classified under such a category before being assigned to the peace cooperation team. The team, which initially would recruit 1,000 members, would be unarmed and provide nonmilitary assistance such as medical care, transportation, communication and election monitoring, sources said. The government has taken the position on the grounds that there would be strong resistance from opposition parties to the idea of dispatching SDF personnel with military status to foreign countries.

However, Ishikawa argued it would be a "half measure" to transfer SDF officers to other ministries before dispatching them to foreign countries. Ozawa also argued that it is better to revise the SDF Law to allow the force to work abroad—enabling them to participate in the multinational peacekeeping efforts—rather than to draw up a new law changing their status. Ishikawa's preference for sending SDF personnel abroad while maintaining their status is based on strong demands by SDF officers.

High-ranking SDF officers have opposed the idea of leaving the forces transferring to the peacekeeping team. They feel the SDF would be neglected under such a scheme. Some SDF officials questioned why certain actions are considered illegal if conducted by SDF members but legal if performed by nonmembers.

A high-ranking officer of the Ground Self-Defense Force said it makes no sense to dispatch a "makeshift team" of "former SDF personnel" to an area where there is a great possibility of military confrontation. "We are most effective as an organized team. There is so little individual SDF personnel can do even if they volunteered to go to the troubled area," he said. The officer added he would be more than happy to go to the Gulf to head SDF troops' contribution to multinational efforts to help settle the crisis, but he would refuse to go as a "commander of a makeshift team."

Another high-ranking official of the SDF's Joint Staff Council said he also believes the best way to dispatch

SDF personnel is not to transfer their status but to send them as they are since they have been trained to work as a team.

A top Defense Agency official said Wednesday details on the new team are still undecided, including whether personnel should be armed; whether a mission abroad requires revision of the SDF Law; and whether SDF transportation and communication systems should be used by the new team.

JSP Policy Panel Says SDF Constitutional

OW2409141190 Tokyo ASAHI EVENING NEWS
in English 23 Sep 90 p 1—FOR OFFICIAL USE ONLY

[Text] A policy committee within the Japan Socialist Party has drafted a report calling the Self-Defense Forces (SDF) "constitutional" but limiting its role to the defense of the nation's territorial waters and air space. The report, details of which were disclosed Saturday, marks a complete departure from the party's traditional stand that the SDF constitutes a violation of the war-renouncing postwar Constitution.

The report also calls for maintaining the Japan-U.S. Security Treaty, saying that its "unilateral abrogation and termination could undermine the relationship of trust and cooperation and produce tensions between Japan and the United States." These policy proposals will be discussed at the party's national policy forum opening Oct. 7, but stiff resistance is expected from the left wingers who believe the SDF is unconstitutional and the security pact should be abolished.

The interim report, prepared by a committee now reviewing the party's policies on the security treaty and the SDF, is aimed at devising a new security policy that the committee hopes will put the party in power.

The report says, "The Constitution demands that (the nation) take self-defense measures severely restricted by the United Nations Charter." It adds the "exercise of military force for self-defense to resist and repel armed attacks that threaten (the nation's) territorial integrity and political independence" constitutes the exercise of the right of self-defense recognized by the charter.

The SDF as it exists now, however, is "not meant exclusively for self-defense because it is positioned as part of U.S. strategy," the report says. Stressing that the SDF should take a "thoroughly defensive stance," the report says Japan should maintain arms needed only to protect its minimum defense lines around the Japanese archipelago.

Small, high-speed missile-mounted patrol boats and anti-ship and anti-aircraft missiles for defending the border are among the weapons systems the SDF would be allowed to possess.

DA Makes Decision on Peace Cooperation Force

*OW2509062990 Tokyo ASAHI SHIMBUN in Japanese
24 Sep 90 Morning Edition p 2—FOR OFFICIAL USE
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[Text] Regarding a "UN peace cooperation force" plan, which the government is considering establishing in response to the Middle East crisis, the Defense Agency told the Liberal Democratic Party and other parties on 23 September its decision: SDF [Self-Defense Forces] personnel who participate in the force will: 1) retain their status as SDF personnel; 2) be authorized to carry pistols and other small arms in strife-torn areas; and 3) wear SDF uniforms to prevent being mistaken as spies.

The agency strongly calls for the retention of SDF status for its personnel in a UN peace cooperation force, judging that "it will be better for them to hold the SDF personnel's status." It believes that SDF personnel will form the nucleus of a cooperation force to be dispatched to a strife-torn area. It also believes that it will be easier to issue directions and orders to SDF personnel when a team of personnel is sent overseas, and that it will be easier for SDF personnel to use SDF equipment.

Meanwhile, if they retain their status as SDF personnel, those personnel sent to strife-torn areas may be treated as "military personnel" under international law and be subject to attacks. Therefore, active-duty personnel point out: "We need means to protect ourselves," and "we may be taken as spies unless we wear uniforms." Thus the agency decided to request permission to carry pistols and wear uniforms.

'Lively Debate' on Cooperation Corps Urged

*OW2209112890 Tokyo ASAHI EVENING NEWS
in English 21 Sep 90 p 6—FOR OFFICIAL USE
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[ASAHI SHIMBUN 21 September editorial: "The Cooperation Corps"]

[Text] The government concept for Japan's U.N. Cooperation Corps has taken shape. Basically, we agree to a policy of giving birth to a new organization capable of effectively rendering cooperation to the United Nations. But the government plan incorporates the idea of including members of the Self-Defense Forces (SDF) in the corps. We cannot agree to this suggestion.

Where does the plan for the establishment of a new organization come from in the first place? Is it not because of the fear that SDF units would be dispatched abroad, even if their mission were confined to the nonmilitary sector? Does the government really believe it can get around this simply by having SDF officers and men concurrently serve as corps members with no change in their status?

When it comes to activity in an area in dispute and its periphery, drawing a line between the military and the non-military is undoubtedly a subtle and difficult

matter. Having said that, there should indisputably be clear assurances that the U.N. Cooperation Corps would have nothing to do whatsoever with the Self-Defense Forces both in terms of organization and personnel.

Some members of the ruling Liberal-Democratic Party are apparently fretting as they complain that the Self-Defense Forces is a white elephant if it cannot be of service in a state of emergency such as the Middle East crisis. But it will leave a source of repentance if a grave matter that may affect the nation's future is assessed simply on the basis of expediency. It is irresponsible for a nation to press risky mission in a harsh environment on the volunteer spirit of a hastily assembled team of citizens. Special training is indispensable on an everyday basis and, above all, it is necessary to organize a group whose members share a sense of mission if they are to risk their lives for the cause of the nation and world peace.

Under the government's plan, there would be a standing command structure, and corps members would be registered in rosters and would be called on to complement units in a state of emergency. Is it impossible to make them serve on a full-time basis like firefighters and policemen?

This sort of approach might perhaps pave the way for a further strengthening of the International Emergency Assistance Corps and the Japan Overseas Cooperation Volunteers. The people are grateful to the Self-Defense Forces when they mobilize in a natural disaster. Might it not be another idea to turn the Cooperation Corps into an organization that is also assigned this mission?

Naturally, the corps would have to have its own means of transportation and communications. Should international contributions in a sense serve the nation's security, then there is no reason to begrudge the financial burdens. Rather, it is pragmatic to take another look at the nature of the Self-Defense Forces, which prepare for threats to our security with a huge budget.

This is not to say that cooperation should be rendered unconditionally in any U.N. peacekeeping effort. In light of the Constitution, we should assess an effort in our own way in terms of both substance and method. This posture ought to be sustained in judging how to respond to the multinational force, made up mainly of U.S. forces, in the Mideast dispute, which has propelled into relief the concept of the U.N. Cooperation Corps.

At any rate, it is true that Japan is at a grave postwar crossroads. Instead of jumping to a hasty conclusion, it is time we looked in all directions and engaged in a lively national debate. Why is it that no voices are audible from the Diet on this score? In no way can the opposition parties feel as if the whole matter were someone else's business.

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JAPAN

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Kaifu Leaves for United States, Middle East

OW2809144790 Tokyo JIJI in English 1230 GMT
28 Sep 90—FOR OFFICIAL USE ONLY

[Text] Tokyo, Sept. 28 (JIJI PRESS)—Prime Minister Toshiki Kaifu Friday morning left here for New York, starting his 11-day U.S. and Middle Eastern tour.

Kaifu departed from Tokyo International Airport at Haneda at 11:12 AM (2:12 AM GMT) aboard Japan Airlines' special flight. The prime minister is scheduled to meet U.S. President George Bush in New York Saturday morning and attend the children summit at the United Nations Headquarters Sunday and Monday.

After the United States, Kaifu will tour five Middle Eastern countries of Egypt, Jordan, Turkey, Saudi Arabia, and Oman to explain Japan's contribution to resolving the Persian Gulf crisis.

He will return home Oct. 9.

Deputy Chief Cabinet Secretary Tadamori Oshima and Deputy Foreign Minister Hisashi Owada accompany Kaifu.

Foreign Ministry on UN Security Council Seat

OW2409134190 Tokyo MAINICHI DAILY NEWS
in English 23 Sep 90 p 1—FOR OFFICIAL USE ONLY

[Text] Japan still has its eyes set on a permanent seat in the United Nations Security Council, a Foreign Ministry official indicated Friday. "This is a very old and new issue and its been in the mind of many, many people for many years," said Yukio Takasu, director of the ministry's United Nations Policy Division.

Takasu, speaking to reporters in advance of Foreign Minister Taro Nakayama's departure Saturday for U.N. headquarters in New York, noted that in the future economic and technological power may yet prove more influential than military power. "So in the future it may be important to include those countries like Japan to the real inner Cabinet of the United Nations."

Takasu said that while the government has not taken an official stand on the controversial issue, "that's not to say that there's no discussion going on informally" among leading government officials. "But it's not yet reached to that kind of maturity that we can speak openly," he said, adding that Japan still has to take "many factors" into account.

The prime obstacle, Takasu said, is the sheer immensity of the task of amending the U.N. Charter. He noted that it would require not only the assent of the five countries currently holding permanent seats on the council—the United States, the Soviet Union, China, Britain, and France—but also a vote in favor by two-thirds of the entire U.N. body.

Takasu also pointed out that the Japanese are not the only ones looking for a permanent seat on the council. He noted that last year, then Brazilian Prime Minister Jose Sarney urged a reorganization of the council in an address he made before the U.N. General Assembly.

Takasu was speaking in the wake of remarks made by Italian Prime Minister Giulio Andreotti last Monday that the Security Council should be overhauled to make way for Japan and the European Community, which he suggested could take over the two seats currently occupied by Britain and France. But one Foreign Ministry official speculated that the Italian premier's remarks were most likely aimed more at deterring the entry into the Security Council of a united Germany than feelings of particular good will toward Japan.

Meanwhile, Foreign Minister Giani de Michelis has said he will propose to the U.N. General Assembly next week that the U.N. Charter be amended by dropping the so-called "enemy clauses" which identify Italy, Germany, and Japan as the defeated powers of World War II.

EC Envoy Notes Ties Plagued by 'Mistrust'

OW2909020090 Tokyo THE JAPAN TIMES in English
26 Sep 90 p 10—FOR OFFICIAL USE ONLY

[Text] The newly appointed European Community [EC] ambassador to Japan, Jean-Pierre Leng, called Tuesday for the strengthening of EC-Japanese ties, which he said are presently plagued by "mistrust."

"There is still an evident misperception and mistrust overshadowing the EC-Japan relationship and impeding its deeper development," Leng told reporters and European business representatives at a luncheon in Tokyo. "A much greater level of EC-Japan cooperation is needed. The Japanese authorities are clearly giving increasing weight to relations with the community. But the bilateral relationship is still one based almost exclusively on trade," he said in his first public address here.

Leng said some Japanese perceive an integrated Europe in 1992 as a "hostile bloc." Likewise, many Europeans are suspicious of motives behind Japanese investment and complain of unfair trade practices and Japan's inaccessible market, he said.

Leng pledged to work toward improving relations between Japan and the EC by expanding cooperation in science and technology, energy, the environment, and social policy. But better bilateral relations cannot be achieved unless remaining trade imbalances between Europe and Japan are remedied, he cautioned. "The commission is very pleased that imports from the community have been increasing recently. But there is still a long way to go before we can be fully satisfied," he said.

On the approaching 1992 deadline for EC market integration, Leng commented that Japan is welcome to play

a part in the integrated community. But it "will have to make contributions commensurate with its economic strength," he added.

On July 31 Leng presented to the Emperor his credentials as head of the Delegation of the Commission of the European Communities. It was the first time an EC envoy has been accredited to the emperor rather than the Foreign Ministry.

The EC's previous ambassador to Japan, Andreas Van Agt, has become head of the delegation to the United States.

Government Agrees on Donation to UNIDO

*OW2809193290 Tokyo Jiji in English 1323 GMT
28 Sep 90—FOR OFFICIAL USE ONLY*

[Text] Tokyo, Sept. 28 (Jiji Press)—The government exchanged notes with the U.N. Industrial Development Organization (UNIDO) in Vienna Friday to donate 1.1 million dollars to the U.N. specialized agency. The money will be contributed to UNIDO's trust fund set up to help promote industrial productivity in developing nations.

Apprehensions Remain 45 Years After War

*902B0229A Tokyo ASAHI SHIMBUN in Japanese
14, 15, 16 Aug 90—FOR OFFICIAL USE ONLY*

[14 Aug 90 p 2]

[Text] Sense of Apprehension Over the Decreasing Relative Importance of the United States States; Once Again, Japan Is Asked To "Reflect" on Its Past; Antagonism Between East and West Has Disappeared

The anniversary of the end of the war is 15 August, 45 years have passed since Japan was defeated in World War II. Under the Peace Constitution, Japan has not directly intervened in a war and has prospered economically. The world has changed, and consciousness of its role as "aggressor" in the great war has also abated. However, Japan's neighboring countries in Asia, which sustained heavy losses during the war, are still scrutinizing Japanese attitudes.

Public Expressions of Anxiety

"In the United States, there has been much debate in which Japan is seen as a greater threat than the Soviet Union. Yet some voices have been raised expressing concern over whether or not Japan has been fulfilling its military role."

On 28 July, the Association of Southeast Asian Nations (ASEAN) opened its general meeting of foreign secretaries in Jakarta, Indonesia. During a discussion seeking to create a new security framework for the Asia-Pacific region, Malaysia's foreign minister, Abu Hassan, while expressing it indirectly, raised concern over a military threat from Japan in a matter-of-fact manner. Later in

the afternoon, at the same meeting, the Philippines' representative said, "Some people predict that Japanese military power will expand in this region, along with an increase in its political influence."

Firsts for Southeast Asia

Foreign Minister Nakayama appeared to be bewildered by these unexpected remarks. He promptly explained the Japanese position, however, saying, "Under its Constitution, Japan has renounced the right to use war as an instrument of foreign policy. Japan will only engage in self-defense, and it is the consensus of its people that Japan is a nation of peace." To this he added, "The Japanese people are aware that, in carrying out the last war, they inflicted a great many casualties in Southeast Asia."

These exchanges appeared to be casual, and while the cabinet members from the ASEAN nations lined up with representatives from other nations, they began for the first time to talk openly about a Japanese military threat. However, this was also the first time that a Japanese foreign minister had made a declaration of "self-examination" on the war to the nations of Southeast Asia.

In 1965, on a state visit to South Korea, Foreign Minister Tsuchina made the following statement: "In the long history of both of our nations there have been some unfortunate periods. We have reflected deeply on this matter with true regret." Since then, similar statements have been made on several occasions to both China and Korea, from the Joint China-Japan Proclamation of 1972 to May of this year when Emperor Akihito expressed a few "words" and Prime Minister Kaifu made a remark during the visit to Japan of President No Tae-u of South Korea. However, while the ravages of war were also inflicted on the countries of Southeast Asia, this postwar ritual has not been repeated for these countries.

After the meeting was concluded, Foreign Minister Nakayama divulged to others that he had been "very surprised." As far as bold remarks of "self-examination" are concerned, next year marks the 50th anniversary of the attack on Pearl Harbor, and many think that criticism and blame will probably be rekindled in various parts of the world, connecting wartime Japan to the Japan of today.

The central problem of "postwar management" is the attempt by the wartime aggressor to recover the trust of those countries which were the victims of this aggression. In this context, the exchanges at the ASEAN general meeting of foreign secretaries indicated unexpectedly that there has not yet been enough postwar management in this region—management that should have been concluded in the form of various kinds of reparations. And so, from this position of inadequacy, Japan's relationship with Southeast Asia is much the same as its relationships with China and Korea, which are constantly

troubled by problems with the "historical consciousness" of Japan, as evidenced in such things as official visits by cabinet members to the Yasukuni Shrine and revisionist textbooks.

At the time of South Korean President No Tae-u's visit to Japan, a debate took place in South Korea over whether or not the objectives of the visit should include an apology from Japan for the 16th century "Jinshin Waran" (Japanese warlord Hideyoshi Toyotomi's invasion of Korea), in addition to reparations for colonial rule in the 20th century. The historical memory of those who have been wronged runs deep.

During the president of South Korea's visit to Japan, a tentative solution to the greatest problem pending between Japanese and Korean relations, the legal standing and treatment of "third-generation agreement" Koreans living in Japan, was arrived at. However, basic discrimination against Korean residents of Japan in such things as employment, marriage, and educational opportunities still remains. There was no pledge not to inflame the historical memory of those who continue to be wronged again and again.

After the war, while the United States was forming an anti-Communist containment network, former Class-A war criminals in Japan were reinstated and retained in political roles in various ways through the influence of reparations. Even in foreign affairs, the Sino-Japanese Peace Treaty (1952) and the Fundamental Japanese-Korean Treaty (1965) were hastily concluded to meet the intentions of the United States. They were not concluded independent of U.S. world strategy.

As Independent Nations

However, today, the climate surrounding Japan's relations with the nations of East Asia is rapidly evolving in response to the dramatic changes in U.S.-Soviet relations. At the same time, Japan's relations with Asia demand attention to the concerns of Asian nations. Even the expression of fear of Japan by ASEAN nations cannot be unrelated to the beginning of the decline of American "power" in the Asia-Pacific region, evidenced in the reductions in the U.S. military. Forty-five years after the war, there are calls for a renewal of postwar management as truly independent nations.

Note: "The legal standing and treatment of Koreans living in Japan." In 1965, when Japan and the Republic of Korea (ROK) normalized relations, the two countries signed the Japanese-Korean Agreement on Legal Standing. Under this agreement, prewar Korean residents in Japan and their offspring qualified for permanent residency, based on "first generation," "second generation," and "third generation" status. However, nothing has been decided yet on the temporary residency status of the "third generation," currently being born, except to hold discussions again before January 1991. In April of this year, before President No came to Japan, consensus was reached at a meeting of the Japanese and Korean foreign ministers on two points concerning the

offspring of Koreans with "third generation" status in Japan. The first point was that they will not have to be subjected to fingerprinting. Secondly, the procedures for obtaining permanent residency will be simplified. However, rights for Korean residents of Japan to be employed as regional public officials and teachers and full political rights, sought by the Korean side, have been put forward.

[15 Aug 90 p 2]

[Text] Differences in Unabridged Historic Perspectives; Japan, Korea, and the Long-Smoldering "Invasion" Affair; The Importance of Textbooks

"I do not think that you can understand the pain of being struck by your teacher with a rod for using the language of your own country, taught to you by your mother." On 25 May dead silence fell over the chambers of the lower house as No Tae-u, president of the Republic of Korea (ROK), appealed for reparations for the painful colonialization of his country by Japan. Two actions were taken in response to this speech, which was intended to move the Diet.

First, Prime Minister Toshiki Kaifu expressed his confidence in the thoroughness of the history curriculum, saying to the press corps that "history textbooks are written soundly, even teachers in the classroom recognize this."

Second, Diet member Sukio Iwatare, a close associate of Takako Doi, chairperson of the Japan Socialist Party, announced a proposal. The JSP Office of Education and Culture will conduct a telephone survey asking whether or not a "symposium of Korean and Japanese teachers should be held to discuss the way historical accounts should be written in textbooks."

Ministry of Education and Precautions Against Controversy

The response from the Ministry of Education to the prime minister's remark was very quick. Three days after President No left Japan, at a national seminar on the new course of study, the ministry began to exercise leadership on the teaching of Japanese-Korean history in the classroom without omissions. On the other hand, high-ranking ministry officials were "quick to point out that there were no problems with any passages in textbooks currently in use." While addressing this, there was a move to express caution that the ministry will probably not make room for anyone to bring up the issue of textbook revision.

If one takes a look at the new course of study under the textbook policy promulgated by the administration and the Liberal Democratic Party in recent years, one will notice a new perspective has been added. "The people of China and the Korean peninsula suffered great casualties" (Sixth Grade Social Studies Course). However, the Hino-Maru (national flag) and the Kimigayo (national anthem) were made mandatory. In addition, there was no hesitation in adding "prewar turning points" such as

the reinstatement of Admiral Togo, who saw action in the Russo-Japanese War, to the list of "historic figures who must be taught." The general historic consciousness shows increased concern for Asian nations but is also rife with contradictions. The Ministry of Education's 1991 "textbook issues" have alone given rise to debate at home and abroad. Shouldn't controversy over the propriety of certain textbook passages, and the administration's historical perspective in general, be avoided at all costs?

At the conclusion of the July seminar, a high-ranking official at the Ministry of Education made the following statement about the origin of the remarks by the prime minister. "To begin with, the real gist of his remarks lay more in the first statement. Namely, that the textbooks are written soundly." It seems that he thought that the problem could be nipped in the bud by coming up with a temporary solution. However, the proposition announced by Mr. Iwatare attempts a more fundamental solution. In June, the Japan Socialist Party proposed more complete textbook passages on the history of Korean-Japanese relations, in opposition to the Ministry of Education. However, this move was not very popular even within the JSP. While seeking to round out passages for the Ministry of Education, it lapsed into contradictions in seeking to abolish the examination system. When introducing his proposal, Mr. Iwatare said, "One can only enter the wrestling ring at the Ministry of Education through a blind alley. The administration must be made to change its ways through action on the private level in Korea and Japan." In order to advance the preparatory work on comparative textbooks for Korea and Japan, the JSP is considering sending a delegation to Korea. Near the end of July, a Korean television news crew visited the Japan Socialist Party for a series of interviews. "The bureaucrats' view of history at the Ministry of Education...." "This view of history directly influences textbooks...." In listening to the quick succession of questions posed to the official in the JSP's Office of Education and Culture, one cannot help thinking that "the education problem between Korea and Japan regarding history hasn't gone away. In fact, the roots of the problem run very deep."

The Korean "Objective"

"The single educational objective of our country is to encourage national consciousness, necessary for survival and for resistance to lawless invaders from neighboring countries." On 5 August, the director of the Institute for Educational Development, the Republic of Korea's equivalent to Japan's National Education Research Institute, was invited to Japan to make a speech before the Japanese Organization for Education in the Social Sciences. Korea put great emphasis to the importance of teaching about the Japanese invasion of Korea in detail.

"The Korean people were not only denied education in their own history and mother tongue, but were also forced to adopt Japanese surnames. According to *The War With Japan as Related in the History Textbooks of*

Asia, published in Japan last April, Korean high school textbooks use passages such as "the genocidal policies of Imperial Japan" and "the exploitation of labor" to tell the history of the Japanese invasion of Korea.

"Through Cultural Exchanges on the Private Level"

The principal of the high school at Koshida Ryogakushuin says, "The desire to inspire the hearts of patriots is the same in every country. It is precisely in this way that the mutual understanding of peoples is obstructed. It is only through cultural exchanges between peoples that the differences in historical perspectives of governments, that readily divide, can be reduced.

School textbooks reflect the historical perspective of the current government while forming the historical perspective of the next generation. The West Germans, who were also aggressors in the last great war, have instituted a series of conferences for students from nations like Poland which sustained heavy losses due to German aggression. These conferences seek to arrive at common textbook passages to describe the behavior of the former German Army.

If the desire to arrive at mutual understanding is limited to the aggressor alone, then the "live coals," which have been smoldering up until now, will continue to burn and obstruct the postwar rapprochement between Korea and Japan.

Note: "The Textbook Issue"

In June 1982, China and Korea officially denounced certain passages in Japanese history textbooks, describing the behavior of the Japanese Army during the war, as "distortions of history." This outcry developed into a diplomatic incident.

The Ministry of Education revised its examination standards in response to the government opinion that "it is the responsibility of the government to make the corrections," adding that "due consideration must be given to passages that relate to Asian nations in modern times."

However, in June 1986, a textbook was adopted marked by a strong trend toward the old style, once again sparking a diplomatic incident. In September of the same year, Education Minister Fujio remarked in a magazine that the "annexation of Korea by Japan was carried out with the consensus of both countries. The responsibility for annexation lies with the Koreans." The Republic of Korea launched a fierce counterattack. Yasuhiro Nakasone, who was prime minister at the time, resolved the issue by sacking his minister of education.

[16 Aug 90 p 2]

[Text] A Barometer for Testing the Degree of Trust; Official Visits by the Prime Minister Continue To Influence Relations; The Yasukuni Shrine Issue Today

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Events in the History of the Yasukuni Shrine Issue

December 1945: The General Headquarters (GHQ) of the Allied Occupation Forces abolishes Shinto as a state religion. The Yasukuni Shrine, which had been government operated, is made an ordinary shrine.

March 1953: The Japan Bereaved Family Association is founded. Yasukuni Shrine is placed under its management, and a parent organization for the promotion of formal visits is created.

June 1969: The Liberal Democratic Party [LDP] introduces the "Yasukuni Shrine Bill" in the Diet to place the shrine under state management. It is withdrawn after facing criticism from the opposition parties and religious groups.

May 1974: The Liberal Democratic Party unilaterally passes the "Yasukuni Shrine Bill" in the lower house. The bill is defeated in the upper house, and the LDP abandons the bill.

August 1975: Prime Minister Miki pays a visit to the Yasukuni shrine on the anniversary of the end of the war, becoming the first prime minister to do so in the postwar era. He qualifies his visit by saying that he is visiting, "as a private citizen."

June 1976: The Japan Bereaved Family Association and other groups merge to form the "Association for the Recognition of the Spirits of the War Dead."

July 1977: The Supreme Court, in a constitutional decision shedding light on the principle of separation of religion and state affairs, pointed out the "worldly objectives of Shinto ground-breaking ceremonies" in a "Tsu ground-breaking lawsuit."

October 1978: Fourteen Class-A war criminals, including former Prime Minister Hideki Tojo, are secretly enshrined at the Yasukuni Shrine.

August 1980: Prime Minister Suzuki and his top cabinet officials pay a visit to the Yasukuni Shrine in a grand ceremony.

November 1980: The government issues a unanimous opinion that "official shrine visits cannot be denied on suspicions of unconstitutionality."

April 1981: The "Gathering of Diet Members for Group Visits to the Yasukuni Shrine" is instituted.

August 1982: Prime Minister Suzuki on a visit to the Yasukuni Shrine remarks, "I cannot state the difference between a private visit and an official visit."

July 1983: Prime Minister Nakasone announces a revision in the administration's opinion concerning official visits to the Yasukuni Shrine.

April 1984: The Liberal Democratic Party reaches a party decision on the constitutionality of official visits to the Yasukuni Shrine.

August 1984: The "Roundtable Discussion on Issues Raised by Official Visits to the Yasukuni Shrine by Cabinet Officials" is inaugurated as an organization for private visits by top administration officials.

August 1985: A report is issued which calls for a "study of methods for making official visits to the Yasukuni Shrine in a manner which does not abrogate the constitutional principle of separation of religion and state affairs." Prime Minister Nakasone makes an official visit to the Yasukuni Shrine.

August 1986: Prime Minister Nakasone postpones his official visit to the Yasukuni shrine in response to opposition from China and other neighboring states.

May 1988: Director General Okuno of the National Land Agency is sacked after making remarks about the Sino-Japanese War.

August 1988: Prime Minister Takeshita postpones his visit to the Yasukuni Shrine.

November 1989: The Osaka District Court, in a lawsuit on the illegality of official visits to the Yasukuni Shrine, dismisses the petition of the plaintiff without ruling on its constitutionality.

August 1990: Prime Minister Kaifu puts off a visit to the Yasukuni Shrine as he did a year earlier.

On the evening of 15 August, the anniversary of the end of the war, Prime Minister Kaifu was supposed to leave on his five-nation trip to the Middle East after attending a memorial ceremony for those who served in the war. The Middle East crisis had grown worse, and the ceremony had to be postponed. "As if he was not mindful of the importance of the anniversary of the end of the war," a close associate said, the prime minister became wrapped up in his foreign travel itinerary for that day. This reaction was in direct contrast to the events of five years earlier, when Prime Minister Nakasone and his top cabinet officials made an official visit to the Yasukuni Shrine.

The Youthful Prime Minister's "Counter Current"

As the first prime minister born during the reign of the late Emperor Hirohito, Toshiki Kaifu is in the habit of saying, "Our generation is the first not to have fought on any battlefield." He was raised under the positive influence of "liberty and democracy" brought over in the postwar era by the United States. When asked by a Diet member from the Communist Party in the extraordinary Diet session whether or not he was aware that the Pacific war was a "war of aggression," the prime minister replied simply, "Yes, I am aware of that." He openly acknowledged responsibility for the war of aggression without showing any particular prejudices. Compared with the response of prime ministers who served in the war, many were impressed by this difference in the generations. In his "dove-colored faction" speech, the charismatic prime minister reflected a "counter current"

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within the LDP against the scheming of those who want to reinstitute official visits to the Yasukuni Shrine. However, this does not mean that the "Yasukuni problem" is a thing of the past. Former Prime Minister Nakasone advocated official visits by cabinet officers to the Yasukuni Shrine as part of his "settling of post-war accounts." He put this into effect in 1985, but under fierce protests from China and other neighboring states, official state visits have been postponed since 1986. However, the three Yasukuni associations—the Gathering of Diet Members for Group Visits to the Yasukuni Shrine, the Association for the Recognition of the Spirits of the War Dead, and the Japan Bereaved Family Association—have continued to advocate the reinstatement of official visits to the Yasukuni Shrine, like the cabinet ministers of successive generations.

Giving Priority to Foreign Policy Considerations

Chairperson Ken Harada and members of the Cooperative Committee of the Three Yasukuni Associations visited the prime minister's residence on the evening of 9 August. Again, on the evening of the 14th, Chairperson Shun Hasegawa of the Japan Bereaved Family Association visited the prime minister. Both parties sought to convince the prime minister to make an official visit to the Yasukuni Shrine.

Mr. Harada made the following plea. "Forty-five years have passed since the end of the war. Mr. Prime Minister, you attended a memorial ceremony for all war dead on Okinawa in June, becoming the first prime minister to do so. You have also attended ceremonies for the victims of the atomic bomb at Hiroshima and Nagasaki. You should therefore visit the Yasukuni Shrine and pray for peace." There were also petitions from the prime minister's own faction, but the prime minister's only reply was, "I understand your feeling." With Class-A war criminals enshrined at Yasukuni, a visit by the prime minister would certainly incur the wrath of China. In the words of a close associate of Mr. Kaifu, "the current climate is not conducive for a visit to the shrine," thus reflecting the priority given to foreign relations.

The issue of official visits to the Yasukuni Shrine has raised debate over relations with neighboring countries, in addition to the issue of the fundamental constitutional principle of the separation of religion and state affairs. However, aside from these considerations, the issue has been raised of what we think, as Japanese, about the anniversary of the end of the war.

Every year on 15 August, a memorial ceremony is held to remember the Japanese war dead. Last year, Emperor Akihito, in his first address on this occasion, said, "When I think of the many precious lives that were lost in this great war and the many bereaved families, I again feel a deep sadness." These words echo those of the late Emperor Hirohito, who said, "When I think of the many precious lives that became casualties scattered on the battlefields of the great war, and the many bereaved families, my breast aches." In contrast to these sincere

words spoken by Emperor Hirohito concerning the Japanese victims of war, the words of the present emperor are not addressed exclusively to the Japanese.

However, the Japan Bereaved Families Association has had tremendous support and influence in the Liberal Democratic Party since its founding, and it has begun to lobby for the return of the Yasukuni Shrine to state administration. Despite the difficult situation, they are also exerting strong pressure on the LDP to resume official visits to the shrine by the prime minister.

Questioning the Position on the "Invasion"

The opposition party recently came out with the following position, to counter the Liberal Democratic Party, summed up by Assistant Secretary Yamahana of the Japan Socialist Party. "As we emerge from the Cold War era, what posture will Japan assume in international affairs with the Asian nations that were the objects of its war of aggression? This is the question directly confronting Japan at this time."

Japan is currently attempting to develop a new Asian foreign policy, with the wave of easing tensions in Asia, stability on the Korean peninsula, and peace beginning to break out in Cambodia. At this time, Japan's behavior as a leader is being watched by Asian nations, using the "Yasukuni issue" as a barometer. They will probably continue to test Japan on this issue to see how much it can be trusted.

Paper Says 1990 Defense White Paper 'Correct'

OW2109134290 Tokyo THE DAILY YOMIURI
in English 20 Sep 90 p 6—FOR OFFICIAL USE
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[YOMIURI SHIMBUN 19 September editorial: "Correct Defense Policy"]

[Text] The fiscal 1990 White Paper on Defense, approved by the Cabinet, provides an appropriate policy for Japan in the changing international situation which has emerged following the end of the cold war. Recently, debate on a proper defense policy has focused on whether the Soviet Union remained a military threat and whether the 1976 National Defense Program Outline should be reviewed. The white paper gave the correct answers to both of these questions.

For the first time in a decade, the annual white paper did not state that the Soviet Union was a "potential threat." It is true, of course, that the Soviet Union could hardly commit aggression against another country in the post-cold war world structure. But this is not a point which the white paper was trying to make.

Although the white paper acknowledges that Soviet military forces have been reduced in size over the past year in the Far East, it says this is due mainly to the withdrawal of out-dated weapons and equipment of Soviet ground, maritime and air forces.

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Updating Forces

It stresses that Soviet Union continues to upgrade its military power in the Far East by deploying modern weapons and reorganizing and rationalizing its forces. It notes, in fact, great improvement in these forces.

It should also not be overlooked that the white paper maintains there has been "no change in the tense military circumstances" surrounding Japan caused by the presence of Soviet military forces. It says this plainly enough even without using the term "threat."

Defense Agency officials explain that the term "threat" was actually removed to send a signal to Moscow that Japan considers dialogues with the Soviet Union of the utmost importance and hopes for substantial arms reduction by the Soviet Union. What we hope is that the Soviet Union will respond to Japan's signal in a positive way.

In considering the question of the defense program outline, the white paper concludes that the defense program should be kept on its present course.

Minimum Defense

The paper argues the defense program should be continued to prevent Japan from becoming a vacuum contributing to instability in Asia rather than as preparation for a direct military threat.

In the period when both the United States and the Soviet Union were engaged in an arms race and East-West tensions were rising, the view was voiced that Japan's defense program was out of date because it was formulated in the age of detente. However, the government refused to adopt the position advocated by those insisting on military buildup. Then as well as now, there was no need to revise the program. The basic concept of the outline is to maintain a minimum defense capacity based on the policy of "defense only" while avoiding turning Japan into a military power. If a threat should develop beyond Japan's defense abilities, then it can depend on the Japan-U.S. security treaty.

There are those even now who insist on an "unarmed and neutral Japan" or an inappropriate military buildup policy. We oppose both these extremist views.

Editorial on Current Defense White Paper Changes

OW2009122790 Tokyo ASAHI EVENING NEWS
in English 19 Sep 90 p 6—FOR OFFICIAL USE
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[ASAHI SHIMBUN 19 September editorial: "Rethink Japanese Defense"]

[Text] The White Paper on Defense for this year differs from previous editions in several aspects.

First, the keynote of past editions, the statement that "the Soviet forces in the Far East are a potential threat to Japan," does not appear in this year's format.

Moreover, the statement in the 1989 edition that "united Western defense efforts continue to be of necessity" because "it cannot be said that there have appeared fundamental changes in the reality that East and West are militarily pitted against each other," has no place in this year's issue, either.

Given recent developments in the world, the omission of those words stands to reason. Nonetheless, we note and appreciate that expressions in line with an easing of tensions are incorporated for the first time in the 1990 edition of the White Paper on Defense, which has for so many years featured an extremely cautious posture toward the easing of tensions.

The question is, are all those changes given substance by word and deed?

From the wording of the paper, everybody may take it that the Soviet Far East forces' latent threat to Japan has either been snuffed out or at least has been reduced significantly.

However, the Soviet forces in the Far East—and their qualitative buildup, in particular—are elaborated in this year's edition, in the argument that "the harsh military reality of our country that arises from moves on the part of the Soviet forces in the Far East remains intact." At an official briefing, a Defense Agency official declared: "The omission of the words 'potential threat' is a kind of signal for hopes of improved ties between Japan and the Soviet Union. But as the fact remains that (the Soviets) are a latent threat, the answers we would give in Diet interpellations, would be the same as in the past, should we ever be asked for clarification at the Diet and other forums."

What is this ambiguity all about? If it is really intended to appeal to the people about the significance of national defense through the White Paper on Defense, then the Defense Agency ought not to employ methodology that could well amount to equivocation.

The National Defense Program Outline, the foundation of defense policy at present, is not founded on the idea of projecting a counter-threat. This means that Japan is not to raise or reduce the nation's defense capability depending on the degree of a given external threat. Be this as it may, however, whether Japan sees a particular country as a potential threat or not should have a significant impact on the nation's defense policy.

In this year's edition, the authors go to the trouble of paying attention to global upheavals, but they apparently try as much as possible to avoid referring to how those changes tie in with the nation's security. As expressly put down in the paper, however, the defense capability that has been built up under the five-year Intermediate-Term

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Defense Buildup Program, which comes to an end in this fiscal year, is indeed spectacular, particularly in terms of qualitative substance.

As the latest edition comes out in the last year of that program and as the significance of military might once again has been called to account, there is a need to epitomize what has been accomplished under that plan and the significance of that accomplishment. Without such a summary, there can be no national debate on the next plan.

What concerns us in this respect is that emphasis is time and again laid on caution against "our falling into a vacuum of power" in elucidating the national Defense Program Outline in the paper.

The words "vacuum of power" are ambiguous. Defense policy of the counterthreat type has been shunned, but the expression is too ambiguous to convey the degree to which military power is needed to avoid falling into that vacuum. As it is, the expression might be related to factors of instability on the nation's periphery.

Group Says Nuclear Cargo Mixed With Ammunition

OW2109121790 Tokyo THE JAPAN TIMES in English 20 Sep 90 p 2—FOR OFFICIAL USE ONLY

[Text] Radioactive substances are transported along with ammunition in container ships when the products are imported to Japan from the United States and France, a Tokyo citizens' group reported Wednesday.

Mitsui O.S.K. Lines Ltd., one of the companies handling radioactive substances, said the shipments are legal and strict safety procedures are followed. A company spokesman added that nuclear substances and explosives are always loaded separately.

But the group, the Tokyo Liaison Conference to Monitor the Transportation of Nuclear Fuels, claimed that it made no sense to load nuclear fuels and ammunition on the same ship. The group questioned if the company could maintain safety during a large-scale fire. According to storage documents obtained by the group, the Kamakura, a Panamanian-registered 50,400-ton ship, carried 15 tons of uranium hexafluoride and uranium-aluminum alloy together with 84 tons of ammunition for small firearms. The ship arrived at Oi Wharf, Tokyo, July 2. Seven other similar cases have also been observed this year.

Last year vessels carried at least 12 such loads, including one by the Monte Rosa, a 58,000-ton ship operated by Mitsui O.S.K. Lines Ltd. The ship carried 21 tons of uranium dioxide along with 49.5 tons of ammunition and arrived at Oi Wharf June 8, the group said.

The storage documents were submitted by an unloading agency to the superintendent of the Oi Fire Station in accordance with the Tokyo Metropolitan Government's fire prevention regulations. Besides being radioactive,

uranium hexafluoride is transformed into corrosive hydrogen fluoride when it reacts with water, the group said.

An official at the Transport Ministry's Maritime Technology and Safety Bureau, which supervises the marine transportation of radioactive substances, said it will conduct an investigation. "We have not been informed that the ships were carrying (nuclear fuels) with ammunition," the official said. "But there may be no problem if they fulfilled the condition of putting them in different holds."

Mitsuhiko Ozaki, an assistant at Osaka University's engineering department, said it was doubtful if nuclear fuel containers like cylinders could survive an explosion or large-scale fire.

Soviet Union

Expanding Economic Relations With USSR Seen

902A0293A Tokyo SHUKAN TOYO KEIZAI in Japanese 8 Sep 90 pp 4-7—FOR OFFICIAL USE ONLY

[Article by TOYO KEIZAI reporter Takashi Sato]

[Excerpts] Soviet Foreign Minister Shevardnadze will visit Japan on 5 September to begin full-fledged preparations between Japan and the USSR for President Gorbachev's visit to Japan next spring.

It will signal the start of a formal solution to postwar problems between the two nations, and simultaneously entail the possibility of constructing a post-Cold War structure in the Asia-Pacific region.

Of course, a substantive solution of bilateral Japan-USSR problems was not feasible under the Cold War structure of the past. [passage omitted]

Start of Financial Support to the USSR

In any case, following Foreign Minister Shevardnadze's visit, the tentative scenario calls for talks between the foreign ministers of both nations at the United Nations general meeting in the fall, a visit to the Soviet Union by Foreign Minister Nakayama late in the year, and President Gorbachev's visit to Japan next year during the cherry blossom season. [passage omitted]

A confrontation arose at the summit between West Germany and France, who were enthusiastic about financial support [for the USSR], and the United States, Britain and Japan, who were passive. West Germany opted to singlehandedly provide 5 billion Deutsche marks in financial support to the USSR, while the member nations as a whole decided to bypass financial support for the time being. Instead, it was decided that a fact-finding survey of the Soviet economy would be conducted by four international organs including the World Bank and the International Monetary Fund, with the survey findings to be released in December.

In other words, once approval is obtained based on the survey findings in December, the advanced nations will be in a position to commence financial support as early as January 1991. The key will be how the United States acts at that point. So far, the United States has clearly indicated its posture to reopen Export-Import Bank loans beginning early next year. Export-Import Bank loans by the United States to the USSR have been suspended since the mid-1970's, based on the Jackson-Vanik amendment to the trade act which protests against Soviet restrictions on the emigration of Soviet Jews.

However, a new emigration act is considered certain to be enacted at the Supreme Soviet Presidium in the fall, which will remove a major obstacle to financial support in the view of U.S. domestic opinion. Also, the intermediate elections will be over in November, giving the Bush administration a relatively free hand, and it will make it easier to adopt a stance for financial support.

Therefore, it is considered possible that the United States will propose financial support to the USSR through concerted efforts by the seven advanced nations. In such a case, the position of the Japanese Government, which has premised financial support to the USSR on a solution of the Northern Territories problem, could face curious circumstances.

The confusion and deterioration of the Soviet economy is not likely to be solved easily. Without a continuous input of money from the Western nations, its economy will face bankruptcy. A situation is likely to occur of the collapse of the Gorbachev administration, the failure of perestroika and the easing of East-West tensions for naught.

In order to avoid such disastrous circumstances, the chances are that a direction toward support for President Gorbachev will be taken by the Western nations as a whole under U.S. leadership.

Assuming that financial support in the amount of \$15 billion is provided to the USSR, it is believed that Japan will be asked to contribute a share between \$1 billion and \$2 billion. If such a situation occurs and Japan persists in saying "No" in the absence of a solution to the Northern Territories problem, Japan will probably be regarded as a lone international villain.

However, such financial support is a kind of emergency stop-gap measure, and differs in significance from full-fledged Japan-USSR economic cooperation. On that basis, a judgment could be made that participation in an international financial support effort is feasible.

Shift to a Theory of Expanded Balance

Although it is unclear as to how a decision by Japan to refuse financial support will impact on Japan-USSR summit talks, preparations for the meeting are steadily moving forward. Already, from late July to early August,

Japan-USSR consultations at the working level and meetings on the vice ministerial level for a peace treaty are being held in Moscow.

At these meetings, the Japanese side has proposed 10 items that include technological support for perestroika and cooperation with the post-Chernobyl incident care, promotion of economic relations, cultural exchange and human exchange. The Soviet side has responded with a "positive" posture.

Also, regarding the peace treaty, (the two nations) affirmed ending postwar matters with the signing of a peace treaty that contains only items acceptable to both sides. Both sides appear to have affirmed a posture of normalizing Japan-USSR relations and promoting negotiations in a positive direction toward a peace treaty.

The (Japanese) Foreign Ministry has already set forth a "theory of an expanded balance," and has begun to shift from its previous posture of pursuing "first a solution to the Northern Territories problem" that precluded the discussion of any issues without a solution to this problem.

The "expanded balance" theory proposes simultaneous and parallel solutions to the Northern Territories issue and other issues. In other words, "the lack of progress on any issue due to the absence of progress on the territorial issue is nonproductive," (Director Kazuhiko Togo of the USSR division).

A Japan-USSR summit conference will be based on such a perspective with steps taken toward the normalization of essential relations. However, at present, regarding the territorial issue that constitutes a major bottleneck, both sides are moving officially in parallel directions. Nor is it apparent whether President Gorbachev will bring with him a concrete proposal when he comes to Japan.

Conceivable possibilities are: 1) a U-turn to the "return of two islands" (Shibomai and Shikotan) proposal in the 1956 Japan-USSR declaration, and 2) a proposal of "two islands plus alpha" (joint control of Kunashiri and Etorofu). However, a reply of "zero return" is also possible.

There is no reason for Japan to accept the "two-island return" proposal, given the failure to move on to a peace treaty in 1956. Unless the "two islands plus alpha" idea leads to the return of the four islands, it will probably not become a basis for negotiations.

At the moment, the chances are extremely slim for the territorial issue to progress in a single leap toward a solution, and for Japan-USSR relations to evolve suddenly and smoothly toward the signing of a peace treaty. The reason is that, if the USSR should start realigning its post-World War II national borders, it could fall into an unmanageable situation both nationally and internationally.

However, (a passive posture) would mean the loss of any possibility for a peace treaty. Therefore, a favorable

political climate is likely to be created by the summit talks for the solution of difficult problems existing in the relations between the two nations. The Japan visit may be intended to bring about a situation with "significance in the visit itself" without direct negotiations on the territorial problem.

Most probably, Gorbachev's popularity in Japan will be enhanced, and the political climate between Japan and the USSR will be considerably improved.

Reduction in Economic Relations

Meanwhile, if political relations should improve, expectations concerning economic relations will naturally rise also. However, the economic relations during the recent past have been filled with pessimistic factors.

Since early this year, broad delays in trade payments have arisen due to chaos in the Soviet economy and its foreign currency shortage, and this has caused Japan-USSR trade to fall into a declining process. Although there has been a temporary lull in the payment delays, the Soviet Union is struggling with its management of foreign currency, and, in addition, the confusion caused by its political decentralization policy does not appear to be abating. Its credibility among its trade partners has fallen conspicuously, and it has become difficult to maintain stabilized trade with state institutions as in the past.

While cumulative statistics on Japan-USSR trade from January to June of this year show \$1.439 billion in imports, equaling the same period in the previous year, exports declined 13 percent to \$1.33 billion. This trend does not appear likely to stop during the latter half of this year and thereafter.

Moreover, the content of the exports constitutes a problem. Despite the overall drop, only consumer goods present a prominent growth. For example, autos rose by 77 percent, TV sets increased 2.85 times, video sets were up by 83 percent and textile goods rose by 8 percent.

Meanwhile, the export of capital goods has dropped sharply. Steel pipes, which have been a mainstay item, decreased by more than 60 percent, and chemical products show an 18-percent loss. Although general machinery indicated only a slight overall downturn, metal-processing machinery dropped 79 percent. The only growth was seen in textile machinery with an 82-percent rise.

As the foregoing examples illustrate, domestic construction and plant-and-equipment-related items have decreased sharply, while intense efforts are indicated for the import of consumer goods. [passage omitted]

In particular, steel pipes are indispensable for oil exploration, and the sharp drop in procurement of steel pipes from Japan will impact greatly on future oil production. Crude oil production—the USSR's mainstay export—

already showed a minus growth last year, and the inevitable trend of lower production will probably continue during the coming mid-term.

If the USSR should neglect necessary investment toward production, the overall Soviet economy cannot escape falling into a vicious cycle toward further decline. It is already in the midst of such a process with absolutely no prospect of halting the trend.

Naturally, Japan-USSR trade will also inevitably head downward for the time being. Regarding joint venture projects also, unless the confusion is ended and a feasible perspective for business ventures is established, no company will make serious attempts toward advancement.

Even though political problems are solved and a peace treaty is signed, considerable time will likely be needed to enter substantive economic cooperation. It may be difficult at least during the first half of the 1990's.

In other words, there is still considerable time before a final conclusion of the Japan-USSR negotiations. The Gorbachev visit to Japan appears likely to be positioned as a symbolic event in taking a serious initial step toward that goal.

Kobe Steel Plans Exchanges With USSR Group

OW2509085990 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 24 Sep 90 Morning Edition p 9—FOR
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[Text] Kobe Steel and the Soviet State Committee for Science and Technology (GKNT) have agreed to exchange researchers. Initially, researchers from both sides will visit each other to exchange views on the structure and operation of their laboratories. This will be followed by joint research in new areas like biotechnology and new materials, or by doing basic research projects on consignment.

Kobe Steel will send a "basic technology survey mission" to the Soviet Union before the end of this year. The mission will survey existing research and development structures and study the possibility of participating in joint research projects or having the other party do research on consignment, while ensuring that such projects do not violate provisions of the COCOM (Coordinating Committee on Multilateral Export Controls). Soviet researchers will make a return visit to Japan before the year ends.

The GKNT is charged with promoting science and technology research in cooperation with the Soviet Academy of Sciences, which actively pursues various research and development projects. Kobe Steel's reasoning is that "if we can learn from the USSR's research and development system, which is advanced in basic technology, this could contribute to speeding up our research and development." Sokichi Kametaka, president of Kobe Steel, visited the Soviet Union this summer

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to discuss personnel exchanges with Laverov, a deputy premier and concurrently chairman of the GKNT.

Kobe Steel imported foundry technology from the Soviet Union in 1963, using it to improve steel production. The company concluded a cooperation agreement with the GKNT in 1979, and since then has exchanged some technology, for instance holding technological symposiums eight times.

Now with East-West economic relations quickly improving, Kobe Steel hopes to accrue basic Soviet technologies, while the Soviet Union's interest lies in learning applied technologies, known to be Japan's forte.

Honda To Study Providing Technology to USSR

OW2409104190 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Sep 90 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Text] Honda Motor Company disclosed on 22 September that it would start a feasibility study on providing technology for the production of two-wheeled vehicles in the Soviet Union and Poland at the request of two-wheeled vehicle corporations in the two countries. It will decide on this technological tie-up within this year and to begin producing motorbicycles, each with a 50cc engine, based on its technology during next year. There is a possibility this technological tie-up will develop into projects for the production of various two-wheeled vehicles through joint ventures. With President Gorbachev's scheduled visit to Japan next spring, this technological tie-up is likely to become a focal point in Japan-Soviet technological cooperation.

The Soviet Government is said to have also asked Honda Motor Company for wide-ranged technological cooperation for the production of passenger cars through joint ventures. Honda Motor Company has decided to start a feasibility study after deciding it is realistic for the time being to cooperate with the Soviet Union in modernizing plants and providing that country with technology for the production of two-wheeled vehicles.

At present, Honda Motor Company is highly likely to provide the Soviet Union with technology for the production of 50cc-class two-wheeled vehicles which are in great demand in that country.

At present, the Soviet Union has 12 two-wheeled vehicle plants which are producing about 1 million two-wheeled vehicles every year, each with the 50cc to 650cc engines. However, their production is on the decline due to outdated engine technology and old production facilities. The Soviet Union has been meeting demand for these vehicles by importing about 100,000 vehicles every year from Czechoslovakia.

For this reason, the Soviet Union has sought cooperation from Honda Motor Company, which is the world's top two-wheeled vehicle maker and intends to foster this two-wheeled vehicle industry as an export industry to

earn foreign exchange. Judging that there is a high possibility of motorization occurring in inexpensive two-wheeled vehicles rather than passenger cars in the Soviet Union and Eastern Europe, Honda Motor Company plans to respond positively to the Soviet request.

The Soviet Union has decided on plans to produce passenger cars through a joint venture with Fiat of Italy. If Honda Motor Company decides to provide its technology, it will be the first technological tie-up that a Western nation provides the Soviet Union with technology in the two-wheeled vehicle area.

Honda Motor Company will soon undertake a comprehensive feasibility study for the production of two-wheeled vehicles in Poland. It is cautious about providing technology to Poland because only 100,000 two-wheeled vehicles (based on production) have been sold every year in that country. However, Honda Motor Company plans to provide technology for the production of 50cc-class two-wheeled vehicles if conditions are appropriate.

North Korea

Kanemaru, Tanabe, Kim Il-song Discuss Ties

OW2909014290 Tokyo YOMIURI SHIMBUN in Japanese 27 Sep 90 Morning Edition p 2—FOR OFFICIAL USE ONLY

[By correspondent Toshihu Kanda]

[Text] Pyongyang, 28 Sep—After talks with DPRK President Kim Il-song, former Deputy Prime Minister Shin Kanemaru held a news conference in Mt Myohyang. Makoto Tanabe, vice chairman of the Japan Socialist Party [JSP] also held a news conference in a train bound to Pyongyang on the afternoon of 26 September.

Summary of Interview With Mr. Tanabe; Remarks Exchanged at Talks

[Kanemaru] Regarding an apology, it is manifested in the personal presidential message of Prime Minister Kaifu. I think Japan should apologize and compensate for past history. Japan has resolved the issues of an apology and compensations involving South Korea after turns and twists. Nonetheless, the issue of apologizing to and compensating North Korea has remained unresolved for one century. I believe I should resolve the issue of apologizing to and compensating North Korea, staking my political life. Meanwhile, there are rumors North Korea is developing nuclear arms. I would like to know whether North Korea is really manufacturing the nuclear arms. Finally, I would like to mention the Fujisan Maru issue. This issue has nothing to do with the issues of apology and compensations. I hope this issue will be resolved from a humanitarian standpoint and the two crew members will be released.

[Tanabe] The prerequisite for improving relations between the two countries is to look correctly at history and clearly to apologize and compensate. I hope the No. 18 Fujisan Maru issue will be resolved on a humanitarian standpoint and its crew members will be released. Taking advantage of this opportunity, I want the issue to be settled by all means.

[Kim] North Korean-Japanese relations should be improved. I am very pleased we were able to have exchanges with the Liberal Democratic Party [LDP]. I received a personal message from President Kaifu. I want to confirm the establishment of a relationship between the Workers' Party of Korea [WPK] and the LDP.

[Kanemaru] I agree with your view.

[Kim] I hope the three parties will work together to improve Japanese-North Korean relations and to secure peace in Asia. I highly appraise the personal message from President Kaifu. I would like to invite an LDP delegation to attend a ceremony marking the 45th founding anniversary of the WPK.

I am paying attention to Japan's present situation. Japan is an economic power, and it is becoming a political power. I think Japan has become the way it is because of its correct policies. Japan is a creditor nation, while the United States is a debtor nation. U.S. debts have increased further because of the Star Wars program. Japan committed itself not to become a military power under its constitution and has thus far lived up to the commitment. I think this has contributed to creating current good circumstances in Japan. I hope Japan will seek peace and the government and the Japanese people will make efforts to that end. We are not manufacturing any nuclear arms. Some people are pointing out our nation is manufacturing nuclear arms based on photographs taken by satellites. However, it is an atomic power research institute built by the Soviet Union. Our republic does not think of manufacturing such arms and has no capability to do so. If they want to inspect our facility, I want them to inspect the presence of nuclear arms in South Korea.

Regarding the Fujisan Maru issue, I have heard often about the issue from the JSP. I talked with Chairwoman Doi about the issue when she visited North Korea in 1987. I told her it would be good if this issue is settled not through consultations between the JSP and the WPK, but through talks between the two countries. This issue can be settled not by laws, but by humans. Even if laws exist, humans can resolve the issue. I think the issue will be resolved by consultations between the two countries. I think I will be able to satisfy Messrs Kanemura and Tanabe.

[Kanemaru] When I went to South Korea, I found wax dolls in Independence Hall depicting how Japanese soldiers massacred and tortured Koreans. I got a bitter feeling. I hope the republic will not show such things.

[Kim] Asian issues should be resolved by Asians. We should not allow any external intervention. The two Koreas will be unified at an early date, and the mood for it is running high. The presence of U.S. forces in South Korea has been perpetuating the division. If we hope for unification, it is contradictory for us to have two seats in the United Nations. I would like to ask both of you to cooperate with the unification.

Questions and Answers With Japanese Press Corps

[Reporter] What will be the major topics at the second round of talks between Mr. Kanemaru and President Kim?

[Tanabe] I do not know because Secretary Kim Yong-sun notified us of the talks. I told Mr. Kanemaru that "I cannot say whether holding such talks is good or bad."

[Reporter] What do you think of the trend for improving Japanese-North Korean relations?

[Tanabe] The republic is eager to improve its relations with Japan. I felt North Korea's enthusiasm to improve its relations with Japan, taking advantage of this opportunity. They told me: "We highly appraise what you have done thus far for the improvement of relations between the two countries. We are grateful to you. We hope you will work together with us in the future." In view of these remarks, I think President Kim himself clearly intends to improve relations with Japan.

[Reporter] Did President Kim make any remarks on compensations?

[Tanabe] He made no such remarks.

[Reporter] Was there any mentioning the words "governmental consultations" at talks?

[Tanabe] There was no mentioning such words. The words "governmental consultations" were only mentioned when both sides discussed the Fujisan Maru issue.

[Reporter] Will the Fujisan Maru issue be settled in future governmental consultations?

[Tanabe] I just do not know about it. It is up to the governments of the two countries. It was not an atmosphere in which I listened attentively. Three parties agreed to work on a joint statement from now on. Depending on what expression is incorporated in the joint statement, the intention of resolving the issue may become clear.

Summary of Interview With Mr. Kanemaru

1. On apology and compensations.

I talked with the North Korean side about this issue. Regarding the apology, President Kim told me he fully understands. He also told me he fully understands the personal message.

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Regarding compensations, Japan has a precedence in its relations with South Korea. Japan caused various troubles and sufferings to the people on the Korean peninsula during the so-called colonial rule era. Japan settled the issues of apology and compensation with South Korea at the end of twists and turns. The issues with North Korea have remained for nearly one century including the colonial rule era. Now that both sides agreed to open contact points between Japan and North Korea, I made "remarks" that both sides should make full consultations, using the contact points and seek to resolve the issue at the earliest possible date with politicians like me overseeing. I think they fully understand. I told them: As for how to determine the amount of compensation, Japan has its bureaucrats and laws. Therefore, we have no choice but to open contact points. They did not mention the amount of compensation.

2. On the No. 18 Fujisan Maru issue.

An advance party asked the North Korean side to release the two crew members. Regarding their release, I told them although I am aware of detail with which they were dealt in accordance with laws, I wanted to ask them to reconsider the issue from a humanitarian standpoint. Mr. Tanabe also made strong requests. President Kim told me: "As to details, I hope you will discuss this fully with the secretary of the WPK. Laws are something that humans make." Secretary Kim Yong-sun has all procedures to resolve the issue in mind. I think all matters concerning the issue have been agreed upon between both sides.

I do not know whether my return to Pyongyang will be delayed. I was impressed with the president's warm thinking many times in the course of holding serious dialogue. Regarding the Fujisan Maru issue, the president certainly intends to allow the two crew members to return to Japan. He made a meaningful remark that "laws are something that humans make." Secretary Kim Yong-sun went so far as to say: "Mr. Kanemaru, I understand quite well" and then shook my hand. I believe this issue has been settled. I have a high expectation the North Korean side will give me definite answers to the issue at the second round of talks.

3. On the significance of his visit to North Korea.

As a politician, I think it is a great honor for me to work for world peace and stability in Asia and Japan in various ways. I think I and members of the delegation to North Korea share the same feeling that we have turned a page of history in resolving the major question of the improvement of relations between Japan and North Korea. Our responsibility from now on is to implement agreements at the earliest possible date. I think the joint work of the LDP and the JSP this time made a good precedent for the future of the Diet.

Paper Carries JCP Views on Korean Question

OW2609113690 Tokyo JPS in English 0932 GMT
26 Sep 90—FOR OFFICIAL USE ONLY

[Text] Tokyo Sep 26 JPS—With new moves on Japan-North Korea relations as delegations of the Liberal Democratic Party and the Japan Socialist Party are now visiting North Korea, AKAHATA on September 26 introduced the views of the Japanese Communist Party [JCP] on relations between Japan and North Korea. It says in full:

The 45-year long period of abnormal relations between Japan and North Korea since the end of the war is due to successive Japanese governments having regarded North Korea as an enemy and disregarded its existence by clinging to Article 3 of the Japan-ROK Treaty which regards the "Government of Republic of Korea [ROK]" as the "only lawful government in Korea".

The Japanese Government has adopted this position because it gives priority to the Japan-U.S. military alliance and promotes cooperation with the U.S. on its anticommunist strategy. From this standpoint, the Japanese Government concluded the Japan-ROK Treaty which provided for political and economic aid to the military dictatorial regimes of South Korea, including the Pak and Chon regimes, based on the "ROK; only lawful government" provision laid down in the treaty.

To regard the ROK Government as being the only lawful government in Korea based on the Japan-ROK Treaty is an unrealistic anachronism. It is though the regime in North Korea does not exist, and it created an obstruction to the reunification of Korea.

In addition, both the North and South regimes still stick to the position that they are the only government which represents Korea. If such an unrealistic position is left unchanged, there can be no reasonable settlement of the Korean question.

In the "View of the Standing Presidium of CC [Central Committee], JCP on the Korea question," which was issued on September 8, 1988, the Japanese Communist Party said:

"It is an objective reality of today that there are two states in divided Korea, and two substantial governments. Based on this fact, supporting the desire of the Korean people for reunification until it is achieved, the JCP demands that the Japanese Government should recognize both the two regimes in South and North, in accordance with the reality of each of them respectively.

"The JCP strongly opposes this, and demands early revision of the Japan-ROK treaty by abrogating the 'Republic of Korea; only lawful Government' provision laid down in Article 3 of the treaty."

In normalizing Japan-North Korea relations, the Japanese Government should admit the fact of its aggression against Korea and its colonial rule of Korea by the

prewar Tenno Government of Japan and their responsibility for it, and make the necessary postwar disposal, including apology and compensation. But, on the past aggression and colonial rule, successive Japanese governments have taken an equivocal attitude not only towards North Korea but also to South Korea.

Every time this issue was taken up by South Korea, the Japanese Government often expressed "reflection" and "apology." But, it continued to justify its colonization of Korea, alleging that the 1910 treaty to annex Korea was "concluded on equal footings."

As the only party that opposed the colonial rule of Korea and consistently advocated its liberation, the Japanese Communist Party "strongly demands that the Japanese Government publish an official document clearly admitting the facts and the responsibility for the aggression against the Korean people and their lands, both North and South" (statement by the then head of the Secretariat Mitsuhiro Kaneko on the Tenno's statement, May 24, 1990).

In thinking about relations between Japan and North Korea, it is necessary to maintain a resolute independent attitude against North Korean hegemonic interference in Japan and other countries and its state terrorist activity.

North Korea has not only conducted hegemonic interference, including the imposition of Kim Il-song-ism as absolute on the movement in other countries, but has also repeated unlawful actions, in disregard of human rights and international law, by making absolute its opinion on relations with other countries.

In August 1984, a warship of the North Korean Navy fired on Japanese fishing boat, "No. 26 Yachiyo-maru" whose captain was killed. North Korea made an unlawful hegemonic assertion that it could do anything in the name of "self-defense" inside the "military demarcation line" which they had arbitrarily set, disregarding the Law of the Sea and other international laws.

The North Korean authorities even conducted state terrorism, including the explosion in Rangoon in 1983 and the blasting of the KAL [Korean Airlines] airliner in November 1987.

It also constitutes an infringement of human rights that North Korea has detained the captain and another crew member of the "No. 18 Fujisan-maru" for nearly 7 years since their arrest in November 1983.

Struggling against the North Korean hegemonic interference in the Japanese movement, the "JCP believes that it is the responsibility for the movements in its own country and will contributing to the peaceful settlement of the Korea question, for a principled attitude to be strictly taken on hegemonist interference by any country and terrorism by any force." (JCP Standing Presidium's view on the Korean question, September 8, 1988)

Other Countries

* Conglomerates Seek To Facilitate Change

902C0295A Tokyo NIHON KEIZAI SHIMBUN
in Japanese 1, 2 Aug 90—FOR OFFICIAL USE ONLY

[Two-part series by NIHON KEIZAI SHIMBUN's Seoul correspondent Suzuki]

[1 Aug 90 p 11]

[Text] Gathering Storm of Criticism

Conglomerates in South Korea are standing at the crossroads. Amid a rising clamor for the elimination of economic disparities, these Korean "zaibatsu," or financial combines, have become the target of concentrated fire from all quarters that regard them as the symbol of inequalities; some have even called for their dissolution. Feeling threatened by these powerful conglomerates that have become difficult to control, the government, from time to time, takes a harsh stand against them. Meanwhile, as a result of the intensification of competition with foreign companies, Korean conglomerates are being forced to change their traditional top-down management style. The question is, how will these conglomerates, which have controlled and led the South Korean economy thus far, transform themselves while paying the "price of democratization"? The answer to this question will unquestionably have a significant impact not only on the economy but also on the politics of South Korea in the days ahead.

A Meeting of Second-Generation Executives

On 20 June, nine second-generation executives of major conglomerates met secretly at a hotel in Seoul. They included Chairman Yi Kon-hui of the Samsung group, Chairman Cho Sok-nae of the Hyosung group, and Chairman Kim Sok-won of the Ssangyong group, who are all leading Korean businessmen well known even in Japan. It was "simply a social gathering of young owners," said the participants. In truth, however, it was, according to knowledgeable sources, a meeting of indignant owners to rouse themselves to action against the government that is tightening the screws on conglomerates and against "Chon kyong yon" ("Chonguk Kyongjein Yonhaphoe" [National Federation of Businessmen], the South Korean equivalent of Japan's "Keidanren" [Federation of Economic Organizations]), an organization doing nothing more than meekly submitting to the government pressure.

From the beginning the No Tae-u administration, in line with its public pledge for economic democratization, has been wrestling with the task of improving the structure that allows conglomerates to control all aspects of the economy. Specifically, the administration has placed limits to the total amount of loan that can be issued to a conglomerate. Also, as a means to lower the ratio of the owner-held controlling shares, the government has

imposed semicompulsory requirements on conglomerates to make public offering of their stocks and to increase their capital. Moreover, when Daewoo Shipbuilding and Engineering Co. faced a financial crisis, the government forced the owner and chairman of the company, Mr. Kim U-chung, to use his personal assets to finance the company's fiscal rehabilitation. In situations such as this, it had been a common practice by previous administrations, including the Chon Tu-hwan regime, to bail out the conglomerate in trouble with tax money without the knowledge of the general public. By handling the Daewoo Shipbuilding case the way it did, the No administration has obliged the conglomerates as well as the general public to wake up to a realization that things have changed.

What caused a decisive widening of the crack between the conglomerates and the administration was the regulatory measure taken in May of this year against land speculation. Earlier, during the spring, in an effort to resolve the problem of soaring land prices, the No administration had put into effect, despite opposition by conglomerates, a variety of speculation control laws. But a certain conglomerate continued to indulge in real estate speculation, which infuriated the government. This led the government to take an extra-legal measure of forcing the conglomerates to sell their land holdings.

The matter did not stop there. When the owners of conglomerates were summoned to be given the word about the compulsory sale of their land holdings, a senior Blue House (the presidential mansion) official reportedly told them: "Remove yourselves from business operations, you second-generation owners!" Undoubtedly this outburst reflects the official's reasoning that the very existence of these second-generation owners, who are indulging in a life of pomp and splendor not as a reward for their own hard work but simply as a result of having inherited the conglomerates, is what is exacerbating the public sense of social inequalities.

Main Culprit for the Soaring Land Prices

Venting his sense of crisis, the owner of a leading conglomerate said, "There is a socialist on the Blue House staff!" But the criticism of the conglomerates is not confined to the Blue House. A government-affiliated economist, speaking from an economic perspective, was even harsher in criticizing conglomerates: he said, "Conglomerates have used their funds not for the development of technologies but for land speculation. They are the main culprit for the sagging exports and soaring land prices." The press has fueled the public's anticonglomerate feelings by reporting in detail how the conglomerates have cornered the land market.

The conglomerates in South Korea have grown big by cozying up to successive administrations in the past and obtaining concessions from them—this is a fact which everybody knows. On top of this came the soaring land prices as a result of speculative land buying by conglomerates, and this has pushed the public's perception to a

new high—the perception that "conglomerates are the very cause of inequalities." The atmosphere now pervasive in South Korea is something like a combination of the two separate situations Japan experienced: one is the state of affairs in and around 1932 when a right-winger assassinated Chairman of Mitsui and Co.; the other is the public outcry against the hoarding by trading companies during the years of oil shocks.

This public discontent, according to sources involved in the public security affairs, was behind the mass demonstration that occurred in May, the largest since the inauguration of the No regime, even though outwardly it was in protest of the merger of the ruling and opposition parties. Government measures to rein in on conglomerates may seem harsh from the standpoint of conglomerates, but they are being perceived as evidence of the laxness on the part of the No administration.

Critics Are Organizing Themselves

Those who are critical of the conglomerates have begun to organize themselves. Academics and popular opposition elements have formed such organizations as the "Citizens Coalition for the Practice of Economic Justice" and the "Assembly for the Study and Practice of Social Justice." They have begun to appeal to the people with their work toward the elimination of everwidening economic disparities. Professor Han Sang-chin of Seoul National University, who belongs to both of the organizations cited above, is calling for an end to the hereditary control of conglomerates: he says, "At the minimum, management and capital should be separated. Toward this end, the inheritance tax, which is toothless as it is being handled now, ought to be strengthened." What he is advocating is a scheme to bring about de facto dissolution of conglomerates by levying heavy inheritance taxes on the heirs to force them to let go of the company shares they hold. What is more, as things stand now, the No administration can no longer ignore these voices.

But then, thanks to democratization, the government has ceased to be a fearful being any more. And the conglomerates themselves have built up their own strength. They do not have to rely on the government for money for they can raise funds from abroad on their own. "Not only that, democracy means elections that cost money. It is we who provide the money, is it not?" says the manager of a major conglomerate, who takes an optimistic view that all the conglomerate-bashing by the government is just a posturing before the general public.

But the owner of another leading conglomerate expresses his earnest concern with these words: "We must get away from the management approach that relies on concessions; instead, we need to establish a management approach of working out our salvation by our own efforts such as improving our productivity. Moreover, we must treat our employees as human beings, not as captive pawns serving the owners, and conglomerates must be made public instruments of the society; otherwise the capitalism in South Korea will end up being negated."

The question is, which one of these two views will become the main current of the financial world? "At the moment the Chon-kyong-yon, or the National Federation of Businessmen, is evenly split over these views," says a knowledgeable source.

Sales, Real-Estate Holding of South Korean Conglomerates (in hundred million won)

Ranking	Name of Conglomerate	Sales	Real Estate Holdings
1	Hyundai	141,918	19,690
2	Samsung	139,425	18,897
3	Lucky-Goldstar	107,538	15,008
4	Daewoo	73,087	13,108
5	Sunkyong	50,559	5,027
6	Ssangyong	32,760	3,604
7	Hanjin	25,376	4,595
8	Hyosung	22,416	2,047
9	Hanguk Gunpowder	20,140	5,471
10	Kia Industries	18,731	3,622
	Toyota Motors	345,148	12,517

(Notes) 1. Sales figures are based on the conglomerates' consolidated financial statements for fiscal 1988; for Toyota Motors, the figure is based on the June 1989 settlement, converted to won at the rate of 1 yen to 4.80 won. 2. Real-estate holdings are book values as of the end of 1989; for Toyota Motors, it is the book value as of the June 1989 settlement, converted to won. 3. Source materials are from South Korea's Economic Planning Board and Bank Oversight Agency.

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Text] Searching for Ways to Change

Major conglomerates of South Korea have begun a search for ways to transform themselves. For example, the Lucky-Goldstar group, the third-ranking "*chaebol*" ["*zaibatsu*" in Japanese; "*chaebol*," as with "*zaibatsu*," is used both as singular and plural; means conglomerate(s) or financial group(s)], declared its "corporate transformation" this past February. The declaration contained two main points. First, it granted managerial autonomy to the group's affiliated enterprises. Second, it conferred full managerial authority to salaried presidents of the affiliates. In other words, Lucky-Goldstar declared that it was abolishing the system of personal administration by the owner, which had been in place for more than 40 years since the company's inauguration, and that it was starting afresh as a modern industrial group.

Entrusting Everything to Presidents

Late last year, prior to making the above declaration, Chairman Ku Cha-kyong of the Lucky-Goldstar group exchanged a memorandum with presidents of the group's 31 principal affiliates. The memorandum's content was: "The chairman, who is the owner, shall hereafter become the symbolic representation of the group. All matters such as procurement of funds, establishment

of the area of business, and making strategic decisions shall be left entirely to the presidents; the chairman shall not interfere in these matters. There shall be no quick replacing of the presidents, but the presidents must bear the total responsibility for the management of their enterprises."

With the exception of a few companies such as Pohang General Ironworks which used to be a government enterprise, large corporations in South Korea are all family-owned enterprises. The chairman, who is also the owner, has absolute power. He is the one who commands the general staff, variously called the "chairman's secretariat" or "management planning staff," makes decisions on operational strategy, personnel assignments, and fund procurement for the entire group, and issues implementation orders to the presidents of the group's affiliated enterprises—this is the way the system works. Thus, it is more a rule than exceptions that the president of a South Korean enterprise, despite his title, is nearly powerless over such matters as personnel actions involving staff officials and budget formulation. Given this situation, it is no wonder that in labor-management disputes, which have been frequent since 1987 when the "democratization declaration" was issued, labor unions of affiliated enterprises have invariably demanded direct negotiations with the group's owner in the final phase of bargaining.

But these conglomerates, which have achieved rapid growth under powerful leadership at the top, are beginning to show signs of their limitations. The reason for this is that the bigger and more diversified they have grown the more apparent it has become that they cannot go on with the traditional top-down management approach.

Two years ago, to cut down the production costs, Chairman Yi Kon-hui of the Samsung group had to visit each of his affiliated enterprises, one by one, and personally order them to curtail their production lines. Today, a staff official of Samsung Electronics says, "We have come to realize that the best way to improve the productivity is to make the most of the wisdom of the employees on the job. Little by little we are changing to a bottom-up management style."

Low Sense of Trust Toward Company

In fact, what triggered the Lucky-Goldstar group's reform was a report rendered by a management consultant firm which is financed by foreign capital. Although the contents of the report have not been made public, included in the report, according to a source within the group, was an assertion that "the primary cause impeding the group's development lies in the system of personal administration by the owner."

The Lucky-Goldstar group, which was established by two men, Mr. Ku and Mr. Ho, is staffed by so many members of the two families that people say, "A stone thrown within the company is bound to hit a section chief named Ku or a department chief name Ho." South

Korean companies are notorious for a high rate of resignations by their employees who move on to different jobs elsewhere. "It is only those good-for-nothing clan members who get promoted"—this is the major complaint of the employees who resign. Such a low level of loyalty and sense of trust toward the company applies to staff officials as well. The behavior of nonfamily-member officials of a company belonging to a *chaebol* who, the minute they get drunk, launch into *chaebol*-bashing, has caught many Japanese businessmen by surprise. Even a company president, so long as he is a hired employee, is treated as expendable—used and discarded. All this is a far cry from the atmosphere characteristic of a Japanese company, in which all hands pitch in to fight for the company's interests—as they did in the face of oil shocks and the soaring yen.

When the Lucky-Goldstar group, in its "transformation declaration," expressly stated its intentions to "ensure longer tenures for company presidents" and to "groom future company presidents from among career employees," its aim unquestionably was to strengthen the unity of employees toward their companies.

Recently the CHOSON ILBO, an influential morning paper, carried a feature story titled "Hard Times for Mid-Level Managers." It was a story about the trend of the times with incompetent, out-of-date section chiefs being eliminated as companies move resolutely to scale down their operations. This trend was confirmed by a mid-level manager of a certain *chaebol* who said, "It used to be that how close one was to the top leadership was the deciding factor for one's promotion. Now, the trend is changing toward an era of emphasis on one's real ability."

Widening Gaps in Earnings

South Korean companies, too, have now been plunged into real international competition. Cheap labor cost that gave them a competitive edge is now a thing of the past. From now on they must compete against Japanese counterparts and do so from a position of two-fold disadvantage—one being the huge debt they are saddled with; the other being their limited technological strength. They can no longer count on protection by their government. In short, their situation is like having been suddenly thrown out of a hothouse-like environment and thrown into a stormy sea.

During these past 2-3 years the managers of many South Korean companies have been in a state of stupefaction especially because of the labor-management disputes which they had never experienced before, and which made things even more difficult for them. Be that as it may, recent statements of accounts show widening gaps in sales and earnings between companies that are

engaged in the same line of business. These gaps are, to look at it another way, a reflection of the difference between the companies that have embarked on management reforms and those companies having difficulties in adapting themselves to the new management environment.

In any event, management reforms have only begun in the business world of South Korea. Even among major conglomerates, the Hyundai and the Daewoo groups have yet to reach the point of taking a new look at their management structures. In the case of Lucky-Goldstar and Samsung, second generation owners took over the management of the former in the early 1970's and of the latter in 1987. As for the other two major conglomerates [Hyundai and Daewoo], their founding owners are still going strong. Generally speaking, a change of ownership, from one generation to the next, seems to be facilitating the transformation of the company involved. But no conclusion has emerged yet as to what kind of management approach is best suited to the business climate of South Korea.

Mr. Chi Tong-uk (publisher of the KOREAN-JAPANESE BUSINESS), a South Korean economic journalist who has been observing *chaebol* for more than 30 years, made this prediction: "It is likely that South Korea, too, will have its own cases of 'Suzuki Store' [a Japanese business firm] whose successful self-multiplication resulted in its collapse in the end."

South Korea's Big-10 *Chaebol*

Ranking	Name of Chaebol	Number of Affiliates	Debt Ratio (percent)	Status of Owner
1	Hyundai	39	491	1
2	Samsung	45	473	2
3	Lucky-Goldstar	58	393	2
4	Daewoo	27	528	1
5	Sunkyong	24	391	1.5
6	Ssangyong	21	910	2
7	Hanjin	18	922	1
8	Hyosung	14	334	2
9	Hanguk Gunpowder	27	222	2
10	Kia Industries	10	436	—

(Notes) 1. Debt ratio is derived from dividing 1988 total debt by the year's total sales (consolidated). 2. Numbers in the "Status of Owner" column denote the generation of the current owner; the current owner of Sunkyong is a younger brother of its founder's; the current owner of Kia Industries is not a family member of its founder's. 3. Source materials are from South Korea's Economic Planning Board.

DA Not To Invite Iraqi Envoy to Troop Review

*OW2209064790 Tokyo YOMIURI SHIMBUN
in Japanese 21 Sep 90 Morning Edition p 1—FOR
OFFICIAL USE ONLY*

[Text] The Defense Agency [DA] decided as of 20 September not to invite al-Rifa'i, Iraqi ambassador to Japan, to the Self-Defense Forces' troop review ceremony to be held at the Asaka training ground of the Ground Self-Defense Forces on 7 October. The reason for the DA decision is that "the actions Iraq has taken since its invasion of Kuwait are unacceptable and it is not worth extending a government invitation to Iraq while it is keeping foreigners, notably Japanese, as hostages," (according to a DA source).

Ambassadors of all major nations are invited to the troop review ceremony, which is held each fall. However, this is the first time an envoy of a particular nation will not be invited to a troop inspection event since the Soviet Union shot down a Korean airliner in 1983. The Chinese ambassador to Japan did not attend last year's troop review ceremony, which was held after the Tiananmen Square incident.

Environment Team To Visit PRC To Study Pulp

*OW2809072890 Tokyo THE JAPAN TIMES in English
27 Sep 90 p 3—FOR OFFICIAL USE ONLY*

[Text] The Environment Agency has decided to send a study team to China in late October to assist a project for manufacturing paper from the tropical plant kenaf, which is seen as a likely substitute for pulpwood in the future, government officials said.

An industry source said if the technology for making kenaf into a pulp material is established in China, as well as in Thailand and the Philippines, total output in these countries could replace some 40 percent of the 13 million-ton annual wood pulp consumption in Japan. [sentence as published]

The move also will help the industrialization of developing countries and protect tropical rain forests in the region.

NEC Plans Joint Venture Companies With PRC

*OW2209033890 Tokyo ASAHI SHIMBUN in Japanese
21 Sep 90 Morning Edition p 8—FOR OFFICIAL USE
ONLY*

[Text] NEC [Nippon Electric Company] Corporation announced on 20 September that it concluded a contract with China to set up joint venture companies to produce and sell large-scale integration (LSI) circuits and electronic switching systems (ESS). This is the first time a Japanese company is setting up joint venture companies in the areas of ESS and semiconductors in China.

A separate joint venture company for each of the two areas will be set up as early as the end of this year. China now produces high-tech products, like semiconductors

and ESS's, under joint venture with European manufacturers. However, the country is hoping to step up its economic improvement efforts by adopting higher levels of technology through joint venture projects with Japanese manufacturers, which lead the world in these fields.

The joint venture enterprise producing and selling LSI's will be called "Shodu-NEC Electronics, Limited" according to NEC. It will be established in Beijing and capitalized at 8,675 million yen. China's Shodu Iron and Steel Corporation will contribute 60 percent of the capital and NEC will provide the remaining 40 percent. The enterprise will primarily produce LSI's for ESS's and also for commercial purposes. The LSI's will have a memory capacity of 64 kilobit DRAM (dynamic random access memory). The enterprise will start operating within two years after establishment and will produce 50 million LSI's every year.

The other joint venture enterprise, which will be devoted to producing ESS's, will be called "Tianjin NEC Telecommunication Industry Limited." The enterprise will be established in Tianjin and capitalized at \$32 million (about 4.4 billion yen). The Chinese side—including Tianjin's Zhonghuan Electronic Computer Corporation—NEC, and Sumitomo Corporation will respectively contribute 60, 35, and five percent of the capital. The enterprise will start operation within a year, producing and selling ESS's, which can handle a total of 300,000 circuits, every year.

The joint venture projects were proposed by the Chinese side, which wanted the technology. NEC researched feasibility studies for these projects upon receiving the proposal.

Group Commemorates Hiroshima, Nagasaki in Cuba

*OW2209103990 Tokyo JPS in English 0938 GMT
22 Sep 90—FOR OFFICIAL USE ONLY*

[Text] Tokyo Sep 22 (JPS)—According to report to the Japan Council against A and H Bombs (Gensuikyo), a Gensuikyo delegation visiting Cuba, led by Yutaka Sato, representative director of Gensuikyo, attended a meeting held on December 13 [month as received] at the Hall of Frank Pais Hospital, Havana, commemorating the 45th anniversary of the atomic bombing of Hiroshima and Nagasaki. Some 400 people attended the meeting held by the Cuban Movement for Peace and Peoples' Sovereignty of Peoples.

Sadayoshi Kuroiwa, member of the delegation and a Hibakusha, told about the real feature of an atomic bombing, and stressed that humanity cannot live with nuclear weapons. He appealed for the elimination of nuclear weapons, and gave strong impression to the participants.

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Sato, head of the delegation, expressed thanks for the Cuban people's struggle and contribution to the movement against atomic and hydrogen bombs. Centering on the "Hiroshima Declaration" adopted by the 1990 World Conference Against A and H Bombs, he spoke on the international situation and movement for the elimination of nuclear weapons, and called for further solidarity of the anti-nuclear peace movements of Japan and Cuba. 383 people in the meeting place signed the Hiroshima-Nagasaki appeal.

During visit to Cuba, the first Gensuikyo delegation to the country, had talks separately with Orlando Fundora Lopez, chairman of the Cuban Movement for Peace and Sovereignty of Peoples, Ernest Escobar, deputy head of the Foreign Policy Commission of the Communist Party of Cuba. They conferred on the strengthening of cooperation to promote the struggle for the elimination of nuclear weapons, including the promotion of the "one billion people signature" drive for the Hiroshima-Nagasaki appeal. The activity of the delegation was aired by TV and radio.

More Links Between Mitsubishi, Daimler-Benz

OW2109143990 Tokyo THE JAPAN TIMES in English
20 Sep 90 p 12—FOR OFFICIAL USE ONLY

[Text] The Daimler-Benz and Mitsubishi group companies concluded their second high-level meeting in Tokyo Wednesday by agreeing to continue implementation of business tieups in 11 fields, including reinforcing their sales network in Japan.

During the three-hour talk, Daimler-Benz, Daimler-Benz Interservice and Mitsubishi Corp. agreed to promote global sourcing of each other's products and to cooperate in information management systems and networks, said Mitsubishi President Shinroku Morohashi.

Attending the Tokyo meeting were top executives from Daimler-Benz, Mercedes-Benz, AEG [General Electrical Company], Deutsche Aerospace Daimler-Benz Interservices, Mitsubishi Heavy Industries Ltd., Mitsubishi Electric Corp., Mitsubishi Motors Corp. [MMC] and Mitsubishi Corp. The first such meeting was held March 3 and 4 in Singapore.

Sales Network

One of the agreements reached between Mercedes-Benz and Mitsubishi Motors Corp. Wednesday was to strengthen the sales network for Mercedes-Benz passenger cars in Japan, according to an MMC official. The two companies will cooperate on the design, development and production of four-wheel-drive vehicles and continue to work on solving environmental problems through both technical development and actual application, the MMC official said.

He also said Mercedes-Benz, Yanase & Co. and Mitsubishi Motors are in negotiations over a tieup for expanding the distribution network for Mercedes-Benz

passenger cars in Japan, adding that the three companies will establish a company to be called Mercedes-Benz Sales Japan by the end of this year.

IC Production

AEG and Mitsubishi Electric Corp. will cooperate in the production of integrated circuits [IC's] for commercial use, especially for such home electrical appliances as televisions and videotape recorders, Director Yoshito Yamaguchi of Mitsubishi Electric said.

The company agreed to exchange aerospace engineers with Deutsche Aerospace, he said. Deutsche Aerospace and Mitsubishi Heavy Industries Ltd. agreed to exchange information on markets and concrete projects in the aerospace field and exchange engineers in specific fields, a Mitsubishi Heavy Industries official said. Edzard Reuter, chairman of Daimler-Benz, who could not attend the nighttime news conference due to his schedule, said in a written statement, "I would like to continue promoting our cooperative relationship in a steady and continuous manner."

Daimler-Soviet Deal

The head of Daimler-Benz AG said Wednesday that the West German conglomerate will sign a licensing contract with the Soviet Union, perhaps as soon as November, for the production of buses for public transport. Chairman Edzard Reuter told a news conference in Tokyo that the project calls for production of 2,000 to 3,000 buses a year using existing Soviet facilities. Agreement has been reached in principle, he said.

Daimler-Benz has approached Mitsubishi Corp. for possible cooperation in a plan to build a car plant in the Soviet Union, industry sources said, but the Japanese trading giant has shown reservations due to anxiety over Soviet economic conditions.

Reuter said he would like Mitsubishi to commit itself to the plan. He was in Tokyo for talks with leaders of the Mitsubishi group, with which Daimler-Benz has agreed to cooperate in various fields, including aerospace. Daimler-Benz had its shares listed on the Tokyo Stock Exchange Wednesday, in advance of wide-ranging talks on cooperative business arrangements with four companies in the Mitsubishi group.

Domestic Affairs

* Difficult Questions in Direction of SDF

902B0240A Tokyo SANKEI SHIMBUN in Japanese
12 Aug 90 p 7—FOR OFFICIAL USE ONLY

["Opinion Up" column by SANKEI commentator, Yoshiteru Oka]

[Excerpts] On the day before yesterday, 10 August, the Self-Defense Forces (SDF) celebrated their 40th birthday. On this day in 1950, the Police Reserve Force

Law publicly went into effect, and the Police Reserve Force, the forerunner of the SDF, began to function. From its beginning as a social outcast it has now become established and accepted, but looking at public surveys there is a question of how the SDF should develop. Particularly, I will try to approach this problem from the perspective of "people."

I would like to begin with a symbolic story. On 1 August, Ground Self-Defense Force Officer School instructor Colonel Yoshikazu Nakamura was transferred to the Northeast District Inspector Division as Data Section chief. He was passed over for promotion. Colonel Nakamura is a graduate of the Defense Academy, studied at America's Stanford University, and was a specialist on strategic problems who served as guest professor at the United States Naval War College and Defense War College. But his being passed over for promotion is said to be the result of publishing an article under his real name in the November 1989 magazine SAPIO.

The SDF has come to believe that "going into the garden of battle and throwing away their lives" is its greatest role, but its first consideration should be how to head off a war. The role of the SDF in creating Japan's military and strategic security is changing. Domestically, a flexible response is being demanded, and even a Socialist Party government will not be able to actually abolish the SDF and will be forced to recognize it. In that case, the SDF, recognized only by the present Liberal Democratic Party (LDP), will be recognized by the Socialist Party and will become a solid-based organization. Indeed it will be welcomed—this was the import of the article.

As for how efficiently a large-scale organization functions, it hinges on the flexibility of that organization. An organization's ability to preserve flexibility rests on assembling versatile, talented persons. If it comes to resemble an incompetent boss who excludes subordinates with opinions different from his own, a stiffening of attitudes occurs. When persons with similar attitudes come together, their views become one-sided because they close their ears to outside opinions. The SDF personnel in one way or another are similar to novices of mahjong who are prone to aim for purely one color.

Little Variation at Defense Academy

There are many examples giving rise to the fear that the SDF is becoming set in its ways. [passage omitted] The SDF officers, particularly, graduates of the Defense Academy are steeped in the SDF colors and have been since the age of 18. During their days at the Defense Academy, they headed in the same direction 24 hours a day, in all areas of their daily life, and upon induction into the SDF, they have continued to think alike not only when on duty, but also even in their off hours. In this way they have come to resemble each other from head to toe. To keep this from happening it is necessary for the SDF to interface with civilian society, but at present, these already restricted officers are limited to outside training in restricted enterprises and universities.

There are interchanges with the JDA and SDF and civilian society which include roundtable conferences with us, journalists, two or three times yearly. In comparison the Ministry of Foreign Affairs holds weekly roundtable conferences. This limits citizens' understanding of defense policy and makes it difficult to know what they should expect from the JDA and SDF.

Bad Money Drives Out Good Money

Even in the Defense Academy, the birth place of the officer staff, and in the Defense Medical College, the belief is lacking that there should be the development of career-oriented personnel who will be responsible for future defense. The former Army Officer Academy graduated 60 classes from its establishment to the end of the war. Its place in society was also different, and an unshakable tradition was allowed to take root. With the present 28th class of students at the Defense Academy, almost half the number of years of the old Army Officer Academy has past, but is there any tradition worth mentioning?

As for the Defense Academy, there has continued to be a decrease in the level of student diversification. Yet the academy authorities, by only looking for quantity, are neglecting the assurance of quality. The regular staff of the Defense Academy, during the school year, is approximately 500 persons. The original regular staff had been based on a 350,000-person system, at the time of SDF founding. It is now authorized at about 270,000 persons, and the actual number is 240,000. Based on this, 350 regular staff personnel should be right, but they continue to defend a staff of 500 persons.

In the Defense Medical College, there is a high standard of scholarship, but it must be recognized that these are post-graduate students. When they pass the national tests and finish their term of training, the young physicians are stationed in regional SDF hospitals. However, the SDF hospitals are not able to treat non-SDF personnel. These physicians are not able to treat a variety of medical problems, and do not continue to grow in their profession. They say there are quite a few physicians who, unhappy with the situation, quit when their mandatory term of service is over.

The situation is also serious regarding new SDF recruits. The ratio of successful applicants to total applicants is barely double. In order to improve on this it would be hoped to have a ratio of 5 to 1, but this is not possible. They continue to be sticklers for ensuring quantity over quality. In the British Army, they ran up against enlistment difficulties and they left enlistments up to the regimental commander. In order for a regimental commander to fill his regular staff, he closed his eyes—to a certain degree—to quality, and this was multiplied by other regimental commanders in their attempt to maintain a full staff even though there was a reduced number of soldiers. As a result, they say the morale of the regiment, which had lost its quality, gradually declined. This is because as the poor quality recruits joined, the

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more qualified soldiers bowed out. This phenomenon of bad money drives out good money may be a large problem in the future.

End Sought to Embargo on High Tech Exports

OW2609112790 Tokyo THE DAILY YOMIURI
in English 24 Sep 90 p 8—FOR OFFICIAL USE
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[Text] Japan has proposed that the Coordinating Committee (COCOM) for exports to communist areas exclude very large-scale integrations (VLSIs) for nonmilitary use from a new list of embargoed items, a government source said Saturday.

The source said Japan has already presented its version of a new COCOM list, excluding VLSIs, to the Paris-based international committee.

VLSIs are widely used in high-tech products, and it is hoped that liberalization of exports of nonmilitary-use VLSIs to the Soviet Union and East European nations will assist their economic reform programs.

Work on revising the COCOM list of items whose export to communist areas is banned is scheduled to last from October to December. Japan's new proposal is expected to have considerable influence on the upcoming COCOM negotiations.

The proposal is intended to drastically relax exports of high technology that will not be diverted to military use to make the system of monitoring trade with communist countries more rational.

Earlier, Japan has proposed that large-capacity memory products in the class of 1-4 megabit dynamic random memories (DRAMs) be removed from the COCOM list.

Japan also plans to propose that COCOM drastically relax export restrictions on other VLSIs, including erasable programmable read-only memories (EPROMs).

In addition to VLSIs, Japan has already asked COCOM to ease restrictions on large general-purpose computers and has proposed that new, uniform standards be set for communications equipment, for which export restrictions are currently diverse.

Japan hopes that if COCOM removes export bans on high-tech products in accordance with its proposals, the action will help expand exports to the Soviet Union and East European nations that have been endeavoring to reconstruct their economies with high technology from developed countries in the Western bloc.

In line with an agreement reached at a high-level working meeting of COCOM held at its Paris headquarters in June, COCOM removed a ban on 30 out of the 116 items on the past list on July 1 and six others on Aug. 15.

At present, COCOM is reviewing the list with the aim of easing restrictions even further.

COCOM plans to hold expert meetings in eight fields, including communications and electronics technology, from October to the middle of December so that a high-level working meeting will be able to adopt a new list next January.

* Plant, Equipment Investment Examined

902A0251A Tokyo NIHON KEIZAI SHIMBUN
in Japanese 18 Jul 90 p 27—FOR OFFICIAL USE
ONLY

[By Small and Medium Enterprises Finance Corporation research division chief, Hideo Kikuchi]

[Text] Firm Tone To Be Maintained Beyond Four-Year Cycle; Widespread Interest in Investments; Earnings Remain at High Level

[Box item] 1. Plant and equipment investment by small and medium-sized manufacturers has the special feature of preceding investments by big enterprises and having a high correlation rate with business trends. For the initial stage, investment plans for FY90 are pegged at an extremely high level.

2. An examination of the current phase, as contrasted with past expansionary phases of investment, reveals that the extent of investment interest has never been so widespread both industrially and regionally.

3. Also, in the current expansionary phase of plant and equipment investment, the starting periods of the upward swing of medium- and short-term cycles overlap. Furthermore, the earnings level remains high. Judged by investment objectives, too, investments to cope with environmental changes, such as labor shortages, constitute the bulk so there is a strong possibility that plant and equipment investment by small and medium-sized manufacturers will maintain a firm tone beyond the average four-year cycle. [end box]

FY90 Plans Also Maintain Strong Tone

The Small and Medium Enterprises Finance Corp. conducts surveys twice a year (April and September) of capital investment trends of small and medium-sized manufacturers throughout the country.

According to the survey completed in April of this year, FY90 capital investment plans show a 1.7-percent decrease as compared with the previous fiscal year. In the case of small and medium enterprises, since many companies do not have firm plans at the beginning of the fiscal year, particularly for investments covering the second half of the year, it is normal to start with a decrease. Considering the fact that FY89, which ultimately showed a hefty increase of 24.4 percent, showed a 0.1-percent decline in the initial plans, FY90 is at a high level for the initial stage and reveals that the investment zeal of small and medium-sized manufacturers is as strong as before.

Also, an examination of investment objectives reveals that besides "capacity augmentation," which occupies approximately 30 percent, the ratio of investments related to "manufacture of new products" and "entry into new enterprises" has increased, indicating the posture of small and medium enterprises to cope aggressively with economic structural changes.

Since these capital investment trend surveys of small and medium-sized manufacturers were started in 1959, over 30 years have passed. From past data, various special features concerning small and medium manufacturers' capital investments can be discerned. On the basis of such special features, current plant and equipment investment by small and medium-sized manufacturers will be analyzed below.

Very noticeable characteristics of the capital investment trends of small and medium-sized manufacturers are that their investments precede large enterprises' investments by half-a-year to one year and show a high correlation rate with business fluctuations.

Based on the Bank of Japan's "Corporate Short-Term Economic Forecast Survey," a comparison made of the capital investment percentage changes of large manufacturers with those of small and medium manufacturers shows that, in general, the latter precedes in changes by one to two half-year periods (half-a-year to one year).

As one of the reasons why capital investments of small and medium manufacturers precede those of large manufacturers, the speediness of decisionmaking by small and medium enterprises can be mentioned. Basically, small and medium enterprises have smaller and more flexible business organizations than large corporations and are noted for their adaptive business management. It can be assumed that these special characteristics appear when carrying out plant and equipment investments.

Also, the cumulative index (coincidence series) of the "Business Trend Indexes" (Economic Planning Agency), which are the typical indices to reveal economic trends, and the capital investment percentage changes of small and medium-sized manufacturers have a high correlation (coefficient of correlation was 0.939, FY58 to FY89). In general, changes in Japan's overall capital investments are said to lag behind economic trends but in the case of small and medium-sized manufacturers, a noticeable feature is that they coincide with business trends.

For such reasons, capital investment trends of small and medium manufacturers can be said to be an important indicator to judge business trends.

Second Year of Expansion Is Peak

Next, it can be ascertained that during periods of capital investment expansion, the investment zeal spreads widely whether judged by industries or by regions. First, an examination of the permeability of investment interests for the past 30 years on the basis of changes in the

coefficient of variation (standard deviation divided by mean) of the capital investment yearly growth rate of the 20 industries under study reveals that during periods when the capital investment average growth rate climbs year after year, the variation coefficient of the 20 industries' capital investment growth rate always shows a declining trend.

This signifies that, as compared with the extent of increase in the overall average growth rate, the degree of enlargement in the standard deviation of the capital investment growth rate among industries was relatively small. That is, it indicates that during phases when the overall average of the capital investment growth rate is climbing, the investment increase rate of even industries with low growth rates is pulled up and as a result, investment interests widely permeate the industries.

Also, regional surveys show the same trend as that of industrial studies.

The capital investment growth rate of small and medium sized manufacturers responds sensitively to business movements and changes are repeated in average cycles of four years (referred to hereafter as "short-term cycle"). Furthermore, during the expansionary phases, regardless of the length of the expansionary period, the growth rate peaks during the second year of expansion, in most cases. For example, fiscal years 1967, 1973, 1979 and 1984 correspond to these peak years.

On the other hand, when the total capital investment outlays of manufacturing industries were viewed in terms of GNP ratios, fluctuations in investments were found to repeat in cycles of about 10 years, i.e., from FY60 and prior years to FY65, FY66 to FY77 and FY78 to FY81. Also viewed in terms of GNP ratios, the capital investment outlays of small and medium-sized manufacturers covered in this survey corroborate investment cycles of about a 10-year duration (referred to hereafter as a "medium-term cycle").

It has been confirmed twice in the past that when the upward phase of the medium-term cycle and the upturn swing of the short-term cycle coincide, the expansionary period of the short-term cycle continues for a relatively long duration. On one occasion, with FY65 as the bottom, the short-term cycle continued to expand for five years, from FY66 to FY70. On the other occasion, with FY77 as the bottom, the short-term cycle continued its expansion for four years, from FY78 to FY81.

What are the determining factors for capital investments by small and medium-sized manufacturers? After narrowing down the factors to four—sales volume, recurring profit ratio of sales, long-term interest rates and capacity utilization ratio—and analyzing them regressively with the capital investment level, it was learned that sales trends showed the highest correlation, as with large enterprises. Judged by this fact alone, in capital investments of manufacturing enterprises, whether large or small in scale, the sales trend of each company is the biggest factor in determining investments.

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An examination of the recurring profit ratio, which is next to sales in high correlation, shows that prior to FY75, the relation with the profit ratio of the preceding year was strong but since FY75, the relation with the current year ratio has strengthened. In contrast to the period of mass production and consumption with the high growth rate of the years preceding FY75, during the period after FY75, as needs became diversified and individualized with a stable growth rate, life cycles of products were shortened and demands for limited production of a wide variety of goods increased.

For this reason, it can be said that alert moves are now needed to align capital investments with ongoing profit trends.

Let us now examine the above special characteristics in the light of the present capital investment expansionary phase. First, with regard to the spread of investment interests, the yearly increase in capital investment growth rate from FY87 to FY88 rose from 11.3 to 28.5 percent but the coefficient of variation, as seen by industries, declined from 0.748 to 0.357 and is at the extremely low level of 0.464 even in FY89. Also, the said coefficient, as judged by regions, declined sharply from 0.747 in FY87 to 0.221 in FY88 and 0.262 in FY89.

In particular, the level of variation coefficient in FY88, both industrially and regionally, is the lowest recorded in data collected for the past 30 years and indicates that in the current capital investment expansionary phase, investment zeal has spread as never before, whether judged by regions or by industries.

Upturns of Medium- and Short-Term Cycles Coincide

Next, from the standpoint of investment cycles, in the current cycle which began in FY87, FY88 corresponds to the second year of expansion, which is the peak year in growth rate as judged by past trends. Also, FY89 is already past the midway point in the duration (average, four years) of the short-term cycle. However, on the basis of the aforementioned medium-term cyclical period (average, 10 years), the current phase which changed to expansion after FY87 can be judged to be in a medium-term upturn phase which just started.

Furthermore, as in the past two medium-term cyclical phases, both medium- and short-term cycles started the upturn phase simultaneously with FY86 as the bottom so in cyclical terms, capital investments can be said to be in a young stage with potentials of continued expansion.

As for the profit angle, a reasonable level is being maintained through painstaking management by small and medium-sized manufacturers and this can be said to be an underlying factor in the firm tone of capital investments.

In fact, as mentioned earlier, the investment zeal in FY90 is stronger than in previous years and investments to cope with structural changes have increased, such as on R&D and measures to deal with labor shortages.

Increase in cost pressure with rising interest rates is of concern but as described above, various reassuring special features can be discerned in the plant and equipment investment by small and medium-sized manufacturers. For this reason, there is a strong possibility that the current phase of small and medium manufacturers' capital investments will continue to maintain a firm tone beyond the average four-year period of the short-term cycle.

Communist Party Opposes Enthronement Ceremony

OW2109144290 Tokyo JPS in English 1002 GMT
21 Sep 90—FOR OFFICIAL USE ONLY

["Constitution Does Not Allow Tenno (Emperor) To Act As Sovereign: AKAHATA Editorial"—JPS headline]

[Text] Tokyo, Sep 21 JPS—On the government decision on September 19 about the program for the ceremonies in November for the enthronement of the tenno (emperor) and "Daijosai" (Great Thanksgiving Festival), the Shintoist religious rite of the imperial family, AKAHATA on September 21 carried an editorial demanding the immediate withdrawal of the ceremonies because they are entirely unconstitutional. The editorial entitled "The Constitution Does Not Allow Tenno To Act As If He Were Sovereign", said in gist.

"The program decided by the government committee on the 'enthronement ceremony' (chaired by P.M. Toshiki Kaifu) is an outright challenge to the democratic principles of the present Constitution—sovereignty residing with the people, separation of politics from religion and respect for fundamental human rights. The system of the tenno as a symbol is accepted but only on the higher premise of the principle of the people's sovereignty. The programmed enthronement ceremony, however, is an almost complete revival of the ceremonies laid down by 'Togyoku-Rei' (rite of supreme ascent), the prewar imperial household ordinance which was abolished under the present Constitution.

"The enthronement rite includes a plain religious act in which tenno announces his enthronement to the sun-goddess Amaterasu at 'Kashikodokoro', the imperial sanctuary, with the attendance of many public officials including the heads of the three powers.

"As part of the ceremony, tenno will stand on a high platform called 'takamikura' (seat on high), which was carried from Kyoto to Tokyo, to hear the prime minister on the floor cite 'yogoto' ('congratulations to the emperor for his long and prosperous reign') followed by 'banzai' (three cheers). This is a relic of the prewar ceremony for a subject swearing allegiance to the tenno who was sovereign at that time.

"These ceremonies should never be condoned, because they are aimed at making the tenno head of state and treating him as a god, trampling down the constitutional principles of people's sovereignty and separation of

politics from religion. Daijosai is a rite in which tenno offers thanks to the sun-goddess Amaterasu, the alleged founder of the imperial family, as well as to all the gods of heaven and earth, for public peace and a good harvest. It is too obvious that this is a Shintoist ritual.

"Because of its religious nature, the 'Daijosai' which was stipulated by the theocratic old imperial house act was deleted and abolished from the present Constitution and substituted with the imperial house act which stands for the separation of politics from religion. From the position of the Constitution, 'Daijosai' is an act that should not be conducted in public.

"The government plans to expend an enormous sum of public money on Daijosai, saying that Daijosai is a traditional ceremony for the succession of the imperial throne and therefore has a public character. But the present Constitution of people's sovereignty makes no provision for 'tradition' and 'precedents' from the prewar absolutist tenno system.

"To have the attendance of the heads of three powers and other public officials at such rituals and to urge local autonomies and public employees throughout the country to offer a variety of local products before the altar is to recognize the Daijosai as a public event. This will further undermine the constitutional principle of the separation of politics from religion. The details of the program of the enthronement rite and of Daijosai reveals that it is a political campaign to make the tenno head of state and to give him a divine status.

"The Japanese Communist Party [JCP] severely opposes the attempts to eulogize and sanctify the tenno by taking advantage of the occasion of the tenno's enthronement. The JCP struggles with a wide range of people for defense of the democratic principles of the Constitution, including people's sovereignty, separation of politics from religion and respect for fundamental human rights.

Kaifu in 'Despair' Over Gulf Crisis

WA17090250 Tokyo ASAHI JOURNAL in Japanese
14 Sep 90 p 99—FOR OFFICIAL USE ONLY

[Unattributed article in the "News Interface" feature: "Zooming In on Kaifu"]

[Text] Following the outbreak of the Middle East crisis, Prime Minister Kaifu must have felt that "a wise man needs not blush for changing his mind," which describes the sudden change in attitudes by people around him.

First of all, President Bush, who used to find occasions to give credit to "Toshiki," has changed his stand. Although not publicized, the President, as early as 12 August, gave Prime Minister Kaifu a push. That day Agriculture Secretary Yeutter visited the prime minister's official residence and stated: "The White House is determined not to give in to Iraq even if it means 'minus growth' for the United States," hinting at Japan's tardiness in dealing with the Gulf crisis. According to a source

concerned, "the prime minister was pale with concern." When his subsequent plan for contributions failed to please the President, Prime Minister Kaifu hastily called the President and offered 1 billion yen, as reported.

Even Chairman Nishioka of the LDP Executive Council, who is just about the only one "sympathetic" toward Kaifu among party executives, has consistently taken the same stand on the Gulf issue as Secretary General Ozawa, a hardliner, and has forced the prime minister to make a decision. At a 28 August cabinet meeting on economic matters, Nishioka tried to pass a note to Kaifu: "My lord [tono], please make decision." Kato, chairman of the Policy Research Council, who sat next to Nishioka, furiously wrote on the note: "You are in the house of the lord."

On the other hand, Ozawa, at the 27 August emergency meeting attended by the four top LDP executives, said: "I am disappointed with the prime minister." Abe faction members, upon hearing this and having their hopes raised that Abe's opportunity might be near, cheered that the secretary general has finally given up on the prime minister. Meanwhile, former Deputy Prime Minister Kanemaru, whom Kaifu regards as his source of strength, not only made statements on amending the Constitution—a hitherto taboo subject—but also said at a Beijing press conference on 2 September: "When the lives of hostages are endangered, the prime minister must make decisions. If the results are adverse, then he will have to take responsibility."

What did Kaifu think when he saw the sudden change in attitude of those around him, whom he thought to be his main supporters? At a press conference on 29 August, Kaifu was asked whether or not financial contributions violated the Constitution. Kaifu replied in despair: "Money is not the same as arms."

Prime Minister Kaifu Lack of Leadership Viewed

902B0251A Tokyo SHUKAN TOYO KEIZAI
in Japanese 1 Sep 90 pp 54-55—FOR OFFICIAL USE ONLY

[Article by Keiichiro Nakamura, political commentator]

[Text] Iraq's sudden aggression on Kuwait has taught us many lessons which may be useful when we ponder the direction of Japan and the world.

First, although we are relieved to see the U.S.-USSR Cold War at an end, local conflicts can always be expected to break out. Particularly when a senseless leader emerges like President Husayn in the current situation, the world does not have any means for a quick remedy.

How shall we build security mechanisms centering on the United Nations to control local conflicts, this is the greatest post-Cold War task.

Second, having said that, what a mighty position and will the American President has!

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JAPAN

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Weakened though America may be, the Iraq blockade has been formed in no time by President Bush's iron will backed by the American war potential. The expenses associated with sending American troops to Saudi Arabia are estimated to amount to at least \$300 million a month. For America, suffering from an astronomical fiscal deficit, this additional burden must hurt. However, America has put aside the fiscal difficulty to take up arms.

Furthermore, under the President's command, thousands of officers and soldiers have taken off to the blazing desert. If something goes wrong, they know that their lives may be at risk. In this show of willingness, in their attitude toward their country, and in their passion for disapproving injustice, I find some elements differing from the current feelings in Japan.

Third, how frequently the position and interests of each country come first in international society! The current state of affairs in the Middle East is truly a textbook of international politics.

Iran which has fought for as long as eight years against Iraq happily accepted Iraq's peace proposal entailing substantive concessions, and has thawed its hostile attitude toward Iraq. Indeed, it is like watching a game of Othello where black chips are instantly turned to white chips. King Husayn of Jordan visited the United States in mid-August presumably as a mediator perhaps because he was concerned about the national interests of his endangered country sandwiched between America and Iraq.

At dawn on 17 August, Japan time, the Bush-King Husayn conference was held at the President's summer house in Maine. It is said that Bush who went to welcome king Husayn on the occasion of his arrival in Maine did not see the king off after the conclusion of the conference. This is probably because, in deference to Jordan's relationship with Iraq, the king did not give a response to the U.S. President's request to close the Port of Aqaba on the Red Sea.

International diplomacy is acted out not by simple logic but by the interests of each country. Through the current Middle East situation, we are once more strongly reminded of that fact.

By the way, one more thing which we would like to note is how accurately Japanese politicians and intellectuals view the events under these conditions.

As far as the writer saw and heard, it was former Deputy Prime Minister, Kiichi Miyazawa who had the clearest perception of the events that unfolded.

"It is harmful to say, both countries must have their own explanations, commenting on the Iraq aggression against Kuwait and its annexation proclamation. There is no question about the one-sided aggression on Iraq's part. We should not permit Iraq to be successful in its action

and clearly we must deal with it," said Miyazawa responding to a press interview.

Sometimes a politician needs eyes which can see and judge the bad from the good as clearly as this. Miyazawa still possesses qualifications that make him a political leader.

In the case of former Policy Research Council Chairman Michio Watanabe, he suggested a dispatch of Self-Defense Forces' minesweepers to the Persian Gulf when he conferred with Prime Minister Kaifu on 16 August. This suggestion is not likely to be implemented soon in Japan because of our constitutional constraints.

However, it could be an issue that Japan, an international state, must examine in the near future. Rather than remaining silent without a word, Watanabe's proposal could be interpreted as an expression of conscientious responsibility by a politician.

Well, in this situation, what is reasonably clear as far as Prime Minister Kaifu is concerned, is that he puts the foundation of Japan's diplomacy in its relations with the United States on the personal trust in the Bush-Kaifu relationship. On this point, the prime minister related the following the other day, "I have devoted myself to building on it ever since I took charge of the administration."

In responding to Iraq's aggression at this time, the only area where Kaifu's thinking was clear was in his faithful agreement with President Bush's policy. Some people tend to view it as a follow-the-America or at-your-service diplomacy. Well, what other options are there? The prime minister's actions are not all together free of childish clumsiness. On the other hand, it is certain that the three-legged-race style relationship with the American President gives stability to Japan's diplomacy.

Prime Minister Kaifu was unsure of the visit to the five Middle East nations scheduled to start on 15 August. He finally postponed it on 13 August after his indisposition. Then, on the 15th he spoke with President Bush on the telephone and reported the postponement. However, it is said that, besides this call, he made several other secret calls before he reached the decision to postpone.

It has been one year since he took the reins of government. During that time, Prime Minister Kaifu has had only three formal meetings with President Bush, but his phone calls have been too numerous to count.

Did we have such a precedence in past relationships between Japanese and U.S. leaders? In a sense, this is a victory for Prime Minister Kaifu.

It must have been a very difficult choice for Prime Minister Kaifu, himself, to decide to postpone the visit to the Middle East. Nonetheless, America is America, whereas Japan is Japan in spite of the close friendship between individual leaders.

What Kaifu lacks is a perception that things will not always go well like in the current Iraq situation. Although it is OK for him to regard Bush as his senior, we want him, once in a while, to show his resolve as a leader and tell us what he will do to demonstrate Japan's position, and how he will appeal to the American people when an occasion demands it.

At this juncture, the prime minister made his eldest son Masaki (31 years old) quit his employment at TBS [Tokyo Broadcasting System] and had him come to work as a personal secretary at the prime minister's official residence. This conduct reflects his resolve to solidify his position inside the party for the continuation of his administration into the next term. However, his problem is that his leadership often wavers.

* Continuing Decline in Birthrate Explored

902A0282A Tokyo SANKEI SHIMBUN in Japanese
17, 18, 21, 22, 23 Aug 90—FOR OFFICIAL USE
ONLY

[Articles by SANKEI editor Katsuyoshi Iwabuchi]

[17 Aug 90 p 3]

[Text] The Era of Women: Continuing Decline in Number of Children

The number of children is falling rapidly. Last year, the average number of children born to a woman in one lifetime (the total fertility rate) fell to 1.57, and it is continuing to go down this year. Because of a worsening labor shortage, the environment surrounding employment of women, marriage and childbirth has changed greatly. Male awareness and social systems, which have not kept up with these changes, need reform.

Birthrate Continues To Fall: Will Be a Major Blow to Economic Vitality

The number of births from January through May 1990, was 59,892. That is 6,632 below the number of births in the same period in 1989, which in itself had gone well below the record. Although the amount of reduction has shrunk somewhat, there is no sign of stopping the fall in the birthrate and it appears that this year's total fertility rate will drop all the way to 1.5.

If the birthrate falls at the same pace as last year, what will happen to Japan's population? According to calculations (using a fixed death rate) by the Ministry of Health and Welfare's (MHW) Institute of Population Problems, there will be 66 million Japanese in 100 years, 1.3 million in 500 years, 20,000 in 1,000 years, and 0.6 in 2,000 years; and thus will the Japanese will disappear from the earth. Naturally, the birthrate will not fall forever without reaching some minimum number, but this is one example that shows how drastically Japan's birthrate is shrinking compared to the birthrates of other countries, which are recovering.

The institute will estimate future population based on the October survey of the state of the nation, and will publish its results at the end of the year. Because the 1986 estimate was quite off the mark and did not predict the drop in the birthrate, the institute is being very cautious this time. Says director Kawano of the institute, "Adverse factors, such as the rising rate of unmarried women, have continued. I have heard that the results will be very severe."

How far will the birthrate drop? The will of the people can change this, but according to Professor Ogawa of the Japan Population Institute, "The total fertility rate will fall to 1.6, and it would not be surprising if it continued to fall for a while because it does not appear to be planned and young people do not feel any danger. From about the year 2000, the economic growth rate will fall, women's wages will drop, and then women will return to the home and think about having children."

Needless to say, the falling birthrate accelerates the aging of the population and worsens the labor shortage. The long-term drop since 1974 already has determined a smaller childbearing population (15 to 64 years). Research compiled by the Economic Planning Agency in July analyzes that "Effects on the supply and demand of labor will begin appearing around next year and will grow steadily," and points out that economic growth potential will drop.

According to the economic policy theory of Professor Masamura of Senshu University, "In the problem of the aging population, the reduction of the number of children is more serious than the increase in the number of the elderly, and has a decisive impact on economic vitality. In a broad sense, human reproduction and reproduction of society has become impossible, and if this continues, the society will become insupportable. In the latter half of the 1990's and into the 2000's, there will be visible effects, such as a shortage of human resources."

The Ministry of Labor's estimates support this opinion. Assuming that labor supply and productivity continue at their current pace, the economic growth rate for 1995-2000 will be almost zero because of the shortage of labor and reduced consumption and because real wages will not increase. Going into the 21st century, growth rate and wages will face a shrinking economy and the labor shortage will turn into an excess of manpower. It is said that to prevent this, it will be necessary to raise productivity and supply an additional labor force of a million elderly and 6 million women. Moreover, this calculation is based on MHW's estimates. The real situation will be even worse.

Says Chairman Suzuki of the Japan Federation of Employers' Associations, "If the acute labor shortage promotes advancement of women into society, which in turn reduces the birthrate, it is a contradictory action (because it will accelerate the labor shortage in the future). Aside from whether it will cause our population

to plunge to 60 million in 100 years, the falling birthrate is a catastrophe that will sap our nation's strength to a tremendous degree."

It seems that Japanese society, filled with contradictions like the one pointed out by Mr. Suzuki, is entering a cycle of shrinking reproduction. The negative effects, such as putting pressure on pensions, medical treatment and other forms of support for the elderly, greatly outweigh the positive effect of eliminating overpopulation.

When the total fertility rate was announced in June, the cabinet cited a high academic record for women and their advancement into society. This brought opposition and ridicule because the cabinet had a superficial awareness of present circumstances, in which there are more women than men in junior colleges and women make up more than 40 percent of the work force, and because they had not even discussed solutions to the problem.

Says Health and Welfare Minister Tsushima, "The age where the high academic record for women and advancement into society were relevant issues is over. That battle has been won. Social policies cannot work unless women demonstrate their capability. The age has arrived in which businesses cannot keep going unless women are returned to the home when necessary. Times have changed faster than awareness and ideas."

[18 Aug 90 p 3]

[Text] Down With the "Company Man" and Up With a Full Life: Men Spend Eight Minutes Per Day on Child-Rearing

In 1989, the working population was 62.7 million, and 40 percent or 25.33 million, were women. With the labor shortage as a background, the increase in employed women was greater than men, and the birthrate decreased proportionately. The structure of Japanese society is changing a great deal, and women seem to be the reason.

According to MHW's General Councillor Ginko Sato, "Rather than being the age of women, it is more a matter of Japan becoming a society in which men and women can help each other and live together. However, because the attitude of men has not changed as quickly as the changes in society and the changes in the living styles of women, there is some conflict in the home, the workplace and other levels of society."

In an age where half the married women are working and more have to start working to maintain the labor force, talking about the pros and cons of the advancement of women into society will not bring about any solutions. To the contrary, male awareness, which has not kept up with changes in society, is being challenged.

Says Chairman Suzuki of the Japan Federation of Employers' Associations, "Isn't it true that the Japanese family no longer serves the function of the smallest unit of society? Women can no longer count on the home as

being the place for a happy life, so they are finding a sense of purpose by working outside the home and are choosing not to have children. Young women appear to think that it is better to enjoy the life of a single person than to marry a 'company man' and lead a separate life from your husband. Men should value their home life more, and enjoy the fullness of life that comes with raising children."

It is true that an office worker only spends an average of eight minutes a day on household chores and child-rearing, but being chastised for it by financial leaders places him in an untenable position. Isn't he putting up with long hours at work and a long commute for the sake of his company and his family?

Nevertheless, Mr. Suzuki continues and includes himself in the attack: "Since the war, men are company men, including myself. Certainly, we work long hours, but to put all the blame on that is just male egotism. On weekdays, we return home late and drunk in the name of maintaining good business relations. On weekends, we neglect our homes and do nothing but play golf in the name of company business. Under such circumstances, women cannot go out into society as well as bear responsibility for the home all by themselves. On top of that, when we men retire and leave the company, we do not know what to do with ourselves at home, so we stick to our wives and are disliked as being 'wet fallen leaves' or interlopers. As ye sow, so shall ye reap."

Since the beginning of the 1960's, many men became corporate warriors who supported high economic growth and were absent from their homes. Now, women are leaving home as well. Single working women are especially critical. Says Yukiko Kanba, a representative of Quality Childcare Institute, "The desire to get married is stronger in single women than men, but men of marriageable age are engrossed in work and in cultivating relations within their companies, so mismatches are occurring. Moreover, a growing number of men cannot talk about anything but work and are almost unable to talk at all. On the other hand, I look at older friends and my contemporaries who have children and see how disheveled they look, and think that if it is going to be that rough, I might as well put off getting married awhile. Although men are finally starting to realize the need for support in the home, they have neglected this for too long. The first thing that needs to be done is to take these men who linger forever at work and return them to their homes."

Whatever the reason, late marriages for women continue to increase, and the percentage of unmarried women in their late twenties is expected to reach almost 38 percent this year. A declining birthrate is a natural consequence.

Says Health and Welfare Minister Tsushima, "The home is where a zest for life is nurtured and where a full and rich life is realized. Because a social system that values this has not been established, we have been driven to a

point where the future generation has not been raised soundly. In fact, Japanese society has driven itself to that point."

This year's health and welfare white paper for the first time openly raised the problem of the falling birthrate and appealed for support in the home. The time has come for men to return to their homes and for the society as a whole to reconsider the role of the home.

Says Professor Masamura of Senshu University, "The lifestyle in which we work, make money and spend our leisure time all at a furious pace should be changed to a calm life with some latitude. The Japanese have achieved wealth and have stopped having children. We need to reflect and consider that perhaps our society has not done the right thing. One can say that it is the time for reflecting upon the industrial culture as a whole."

[21 Aug 90 p 3]

[Text] Era of Child-Rearing by Both Parents; Childcare Facilities To Meet Real Needs; Childcare Leave for Fathers

Cabinet Counselor Mitsuko Horiuchi says, "The time has come when society has advanced to the point where women, too, can exercise individuality. Women want to continue to work, and at the same time raise their children properly, and the time has come when we need to put together a diverse menu of items that respond to their needs, such as time off from work for childcare (childcare leave), reemployment and flexible working hours. It is an age where men also should think about life as a whole, not just about work, with gentleness and flexibility."

The United Nations treaty to abolish discrimination against women, which Japan ratified in 1985, maintains that "Men, women and society as a whole must bear the responsibility for raising children," and seeks collective responsibility for child-rearing from fathers and society. Also, 20 years ago, the International Labor Organization recommended that "Either parent should be allowed childcare leave." The number of advanced countries that allow fathers, as well as mothers, to take leave for childcare is increasing.

Under the law for equal employment opportunities for men and women, Japan established that "Employers must endeavor to accommodate employees, such as by giving childcare leave." However, this stipulates effort only. Among women educators, nurses and childcare providers, childcare leave is guaranteed by law only for those who are government employees.

However, an increasing number of firms, especially in service companies that cannot function without women employees, have incorporated childcare leave into their systems as a trump card to ensure manpower. Last year, 19.2 percent of all companies implemented this system, which applies to 23.5 percent of women employees. In the All Japan Federation of Electric Machine Workers'

Unions, in particular, the Matsushita Electric Industrial Company union and other major unions received childcare leave in the 1990 spring labor offensive, and it covers 90 percent of women union members. "The tide has changed because of the manpower shortage. Now we will be able to legislate childcare leave," says deputy director Kobayashi of the labor welfare department of the All Japan Federation of Electric Machine Workers' Unions.

That is why upper house members from the Japan Socialist Party, Komeito, Democratic Socialist Party, Shaminren and Rengo cosponsored a childcare leave bill in April 1990. The main points of the bill include (1) childcare leave for both men and women until the child is a year old; (2) allowance during leave will be 60 percent of salary; and (3) financial sources will be provided equally by the national government, employers and employees. During the last general election campaign, the LDP [Liberal Democratic Party] pledged to establish a childcare leave system, but out of consideration for the corporate sector, it is against the provision of allowances and childcare leave for men. Therefore, deliberation of the bill is still continuing.

Says Japan Federation of Economic Organizations Managing Director Koyama, "We are thinking of some degree of childcare leave, but there is a tendency for such concepts to take on a life of their own. The scope should suit the purpose. It would be rather unmanly for men to take childcare leave."

According to a 1987 survey, only .6 percent of companies providing childcare leave approved this leave for men. Moreover, "Men can take childcare leave with the approval of the company, but none have taken it," says the Honda Communications Industry. Seiyu Ltd., the large supermarket operator, has allowed men to use its "baby care time" of two hours per day, which it established four years ago, but none have taken advantage of it.

Chairman Suzuki of the Japan Federation of Employers' Associations says, "Men should help raise children, but women are physiologically better suited for it. When a mother holds her baby on her left side, it feels secure because it remembers her heartbeat from when it was in her womb. How can we say that men and women are the same in everything?"

Under these circumstances, Rengo, the leader of the opposition parties on this bill, plans to be flexible because, as one of its executives says, it has decided that "Although the demand from women is extremely strong, ultimately we will probably have to settle for coverage of women only, no allowance, and social insurance premiums to be borne by the firms."

It appears that Japanese society is not comfortable with rapid reforms. However, "no childcare for men" is not good enough in this age.

Says MHW General Councillor Ginko Sato, "A truly manly father should be able to be in contact with his children and attend to their growth as much as possible. He had a lot to do with the birth of his children, and surely he would feel left out if all he was expected to do was earn money. In the end, that leads to becoming 'wet fallen leaves.'"

Also in great demand for childcare support for women is more daycare facilities. In-company daycare centers are very rare, except for the Sezon Group, which has over 2,000 "Hoshinoko" daycare centers, but they are mostly at hospitals and golf courses.

There are about 700 daycare centers that provided extended hours—to about 1900 hours. There are only 33 that provide care until 2200, and only one is in Tokyo, the "Shiinomi Daycare Center." MHW is trying to increase daycare services, but it is not able to keep up with the changing tide.

[22 Aug 90 p 3]

[Text] Various Measures To Encourage Childbirth; Regional Anxiety; Image-Building Strategy

"Will the next baby be a boy or a girl?" This is the narration for a commercial Yamaguchi Prefecture has run on a local television station since May 1990. It is an image-building strategy entitled "The Japanese Stork Campaign."

Yamaguchi Prefecture's birthrate (births per thousand) was 9.6 in 1988, the lowest in the nation. The prefecture decided that "First, we must make people fully aware of the drop in population and birthrate." It began a campaign, with the slogan "One more for the sake of the children," to enlighten its residents.

The campaign's mascots are "Genchan" and "Kikochan," and according to the prefecture's insurance and preventive measures division, "Their names ('genki' means healthy), express the hope of raising healthy children. Also, an image-building song, "In Praise of Babies," and "postcards encouraging child-birth" have been prepared. In October, a "conference to consider the future of children" will be convened, while child-rearing advice will be given to young mothers and pregnant women. The budget is about ¥ 30 million.

Says deputy director Nakajima of the prefecture's environment and insurance department, "The reduction in the number of children is the most painful. There is the loneliness it causes, of course, but it also means that the next generation will be smaller, and how to support and protect the elderly will be an urgent problem. We are asking people if they haven't forgotten what home and children really are. We have sold 100,000 postcards, and the response has been overwhelmingly favorable."

In Yamaguchi Prefecture, Kawakami, a village that abuts Hagi City began using its "homeland creation fund" this fiscal year to provide educational endowment

insurance (matures at age 18) as a congratulatory gift on the birth of a third child. The third child will be given ¥ 500,000, the fourth child ¥ 800,000 and the fifth child ¥ 1 million. To receive the funds, the child must reside in the village until age 12, in order to prevent families from taking the money and leaving. According to the Kawakami Village office, "The population has gone down by more than 50 percent in 30 years and the elderly make up 21 percent of the population. We have allocated ¥ 2.5 million a year for educational endowment insurance, but unfortunately, no one is eligible now and there are no prospective recipients, either."

Congratulatory Award Increased

Oita Prefecture is carrying out a "wealthy nation, healthy babies countermeasures campaign." Known for its "one village, one product" movement, the prefecture is subsidizing 50 percent of the congratulatory awards (and gifts) and childcare allowance provided by the cities, towns and villages.

The maximum award is ¥ 1,500 per person per year, but there is no limit placed on the amount for regions that are designated as extremely sparsely populated. In the last fiscal year, local governments of 42 of the 58 cities, towns and villages implemented the program and spent ¥ 20 million. They will expand the program further this fiscal year, and plan to spend ¥ 30 million.

The highest award from the cities, towns and villages was ¥ 300,000. Congratulatory gifts include albums, picture books and underwear. Says director Sato of the prefecture's health division, "there are few direct results when money is given, but the appeal is very effective and it has symbolic meaning."

In particular, Matama town provides a childcare allowance of ¥ 20,000 per month for 4 years for a total of ¥ 960,000 for the third child and subsequent children. Mayor Kondo says, "This is a welfare policy to help with child-rearing. No one would give birth to children just to get the money."

Reward for the Fifth Child

Tairadate village in Aomori Prefecture, under its "Fifth child reward," will provide ¥ 200,000 at birth, at 3 years, at entry to elementary school, at entry to middle school and at graduation, for a total of ¥ 1 million to any fifth child. "Someone recently had a fourth child, but due to the mother's age, a fifth child is doubtful. Somehow, we must stop the reduction of the population," says Deputy Mayor Takahashi. Kurobane town in Tochigi Prefecture awards ¥ 300,000 at birth and ¥ 50,000 on the first birthday for the third child and subsequent children. Says the town office, "We have just started the program, but we haven't heard of anyone deciding to have a baby in order to get the award."

Shioda town of Saga Prefecture has a "7-5-3 award," which gives ¥ 90,000 for a third child, ¥ 250,000 for a fifth child and ¥ 490,000 for a seventh child. Says Mayor

Kawabara, "We started last fiscal year and we have given awards to six people. Someone has even had a fourth child. It is a source of great joy when the town's population is increased even by one, and the award is an expression of the feelings of the town residents."

Sparse Population of Big Cities

In Tokyo's Daito Ward, which surrounds Ueno and Asakusa, the population has been cut in half in the last 30 years. Two elementary schools closed this year. Therefore, the ward is soliciting applications from newlyweds who want rent subsidies (maximum ¥ 50,000). It has received slightly over the expected 200 applications, and there will be a drawing next month.

According to the city maintenance department, "Because of rocketing land prices, more and more young people are leaving, the streets are losing vitality, and there is no one to carry the portable shrines for the festivals. The number of stores has decreased, which makes living here inconvenient, so the population goes down even more. It's a vicious cycle. Nonresidents can apply as well; we want them to come live in rented housing in Daito Ward and have children here."

Since last year, population has gone down in 21 municipalities and prefectures, including Tokyo. The local governments are implementing a variety of countermeasures because of an inexpressible dread about the falling population and aging of the population and a sense of unavoidable doom. "A grave but quiet crisis" (title of an MHW report), is spreading steadily throughout the country.

Principal Congratulatory Awards for Childbirth

City, Town or Village	First Recipient	Amount Given
Nishisenboku town, Akita	Third Child	¥ 100,000
Ani town, Akita	Third Child	¥ 50,000
Tsuyama town, Miyagi	Third Child	¥ 100,000
Kurobane town, Tochigi	Third Child	¥ 300,000
Tsukude village, Aichi	Third Child	¥ 100,000
Hanazono village, Wakayama	Third Child	¥ 100,000
Aoya village, Tottori	Third Child	¥ 50,000
Yoshitomi town, Fukuoka	Third Child	¥ 200,000
Musashi town, Oita	Third Child	¥ 300,000
Tsurumi town, Oita	Third Child	¥ 300,000
Ume town, Oita	First Child	¥ 60,000
Kuju town, Oita	First Child	¥ 50,000

(Awards also given to subsequent children)

[23 Aug 90 p 3]

[Text] Japan's Meager Child Allowance: The Need To Shift Away From Self-Reliance Policy; Time Limit

At the end of July, Rengo and MHW held a conference on social insurance policies. They agreed that "It is

important to create an environment in which the society as a whole can lovingly raise the children who bear the future on their shoulders," and promised to cooperate in the future.

Says director Igarashi of Rengo's life and welfare bureau, "The children being born now will reach the peak working age of 30 in 2020, when the aging of Japanese society will peak as well. We have reached the time limit halting the aging of society by raising the birthrate. We have to change the policy of expecting families to be self-reliant in child-rearing. Children are the greatest social capital. Unlike the elderly, if we spend money on children now, they will contribute to economic growth someday. Child allowances should be provided from the first child, and the amount should be increased for each subsequent child. The labor unions will consider augmenting funds provided by public expenditures and employees."

Japan's child allowances are much smaller than those of Western Europe and are said to be like "one's husband's drinking money" because they are spent so fast. The limit on annual income is ¥ 3.589 million, and in the case of white collar workers, there is an exceptional benefit of up to ¥ 6.25 million. The whole amount is borne by employees. This exceptional benefit will expire in May 1991, and MHW intends to use that as an opportunity to increase child allowances as part of childcare support.

The number of children eligible for the allowance continues to drop, and since there is no sliding scale for cost of living, the total amount spent for support goes down every year. The total budget is never used. Because of increasing number of employees and rising wages, contributions by employers (.0009 of average monthly remuneration) keep going up. On the other hand, support to the self-employed, which is borne by the national and local governments, has gone down substantially, so the National Treasury's share keeps going down.

In 1986, support coverage was expanded from the third child to the second child, but monthly support for the second child was only ¥ 2,500. Furthermore, the coverage period, which had been until graduation from middle school, was cut back to entry into elementary school. Due to this "giving with the right hand and taking with the left," the birthrate, which was starting to move toward recovery, went down. Aside from the question of how much of the drop was due to this national policy, there is no doubt that it undermined the birthrate. It can be said that being overly diligent about balancing accounts for fiscal reconstruction was bad policy and it has endangered the future of Japan.

Says Japan Federation of Economic Organizations Managing Director Koyama, "Measures to deal with the aging society cannot be realized unless consideration is given at the same time to the children who will bear the responsibility for those measures. We must not get caught up in the chains of the past or in immediate

interests; we have to consider what we must do now to ensure the well-being of our society in 20 or 30 years. Companies must be prepared to increase their share to some extent. Child allowances should be narrowed down and increased for the third child and subsequent children."

Methods of provision of child allowances differ in accordance with differences in basic conceptualization. West Germany, France and Sweden base their allowances on the principle of encouraging childbirth and raise the allowance for each subsequent child. Each of these countries has achieved good results; Sweden in particular has restored its total fertility rate to 2.1, the rate needed to maintain the population. Japan follows the same principle, but the small amount makes the allowance no better than "drinking money." Great Britain's allowance payments are of the welfare type and are the same for each child.

Saburo Toida, chairman of the LDP subcommittee on the problem of children and the home, says "Through payment of pensions and the like, we take collective responsibility for supporting the prior generation, but people who have no children are not carrying out their responsibility for the next generation, on whom they will depend in the future. The consumption tax is an appropriate source of revenue for child allowances; the generations would be supporting each other because today's society would be investing collectively in those that will bear the responsibility for supporting the aging society. It will boil down to making a political decision, but if the

consumption tax is used as a revenue source, the principle of fairness must be observed. Therefore, allowances should be provided without income restrictions from the first child and to all children, but the amount should be increased for each subsequent child. The allowances are meaningless unless they are increased to at least 10,000 yen increments."

Even if ¥10,000 is provided for the first child and subsequent children until school age, the annual amount would be about ¥1 trillion, and would not compare with the ¥24 trillion that is expended for social insurance benefits for the elderly. There is support for using the consumption tax as a revenue source for child allowances, such as from former MHW Minister Tatsuo Ozawa, who is willing to consider it. However, Finance Minister Hashimoto is negative to the idea, and it is a matter for future study.

Says MHW Minister Tsushima, "That method is acceptable if it is supported by the people. It will do no good to raise the allowances by a nominal amount, but if the increase is too prominent, it will become popular to reject the idea of having children and being paid for it. We will try to maintain an overall balance and we will explore various measures, such as giving newly married couples priority in getting into public housing, in order to build and nurture a broad-based policy for children and the home."

The government has established an interagency council and is putting real effort into measures to deal with the situation. However, birthrate trends are set by the will of the people, especially the young generation. Now that the falling birthrate has made visible changes, the complexities of the problem are beyond our control.

Child Allowance (Monthly) Systems in the Advanced Countries

Country	Provided Until	First Child	Second Child	Third Child	Fourth Child
West Germany	16 years	3,600	9,500	16,000	17,500
France	16 years	—	12,200	15,600	15,600
Great Britain	16 years	7,200	7,200	7,200	7,200
Sweden	16 years	10,100	10,100	15,200	20,300
Japan	School Age	—	2,500	5,000	5,000

(Note) All amounts converted to yen. 1987-90. In Japan, allowance provided until entry into elementary school.

Australian Delegation Meets Gonchigdorj 27 Sep

OW2809204090 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1507 GMT 28 Sep 90—FOR OFFICIAL USE ONLY

[Excerpt] Ulaanbaatar, September 28 (OANA-MONTSAME)—MPR [Mongolian People's Republic] Vice President R. Gonchigdorj, received on September 27 at the government house, a delegation of Australian parliamentarians, led by Richard Charlesworth, leader of the delegation and member of the House of Representatives for Perth (Australian Labour Party), who are on visit in Mongolia, and had a friendly conversation.

Present were B. Chimid, SSH [State Small Hural] secretary, R. Barsbold, deputy chairman of the Executive Committee of the MPR parliamentary group and other officials. [passage omitted]

Art Exhibition Marks 41st PRC National Day

OW2809120790 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1030 GMT 27 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, September 26 (OANA-MONTSAME)—An exhibition of works of Borjgin Haschuluun, artist and engraver from the autonomous region of Inner Mongolia, PRC, was inaugurated today at the exhibition hall of the youth amusement park. It is devoted to the 41st anniversary of the National Day of the People's Republic of China.

Addressing the opening ceremony N. Jantsannorov, first deputy minister of culture and deputy chairman of the Mongol-Chinese Friendship Society, noted that the artist's works reflect centuries' old traditions of oriental art. The exhibition will, undoubtedly, become a great contribution to the development of cooperation between Mongolian and Chinese peoples, particularly, in the sphere of cultural exchange, Mr. N. Jantsannorov noted.

The opening ceremony was attended by the workers of the MPR Ministry of Culture, Ministry of Foreign Affairs, members of Mongol-Chinese Friendship Society, representatives of artists as well as heads of some diplomatic missions.

MONTSAME Discusses Foreign Trade Relations

OW0210154890 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1003 GMT 02 Oct 90

["Foreign Relations Developing"—MONTSAME headline]

[Text] Ulaanbaatar, 2 Oct (OANA-MONTSAME)—As the ruling party paper reports, in accordance with the M.P.R. [Mongolian People's Republic] Government wish, the Japanese Government decided to deliver to Mongolia this year technical equipment worth 68 million yen for carrying out laboratory research of rare and

other minerals. In this connection, a Mongolian expert had a training in Japan and in October two experts are to come to Mongolia.

The Mongolian trade and industrial firm "ARSIMPEX" for the fifth time successfully participated in an international fair of leather goods in Paris. During the fair an agreement was achieved with a French firm "ALLAEN GABAI" on cooperation on leather and sheepskin goods as well as a treaty on starting delivery in the fourth quarter of 1990 was signed.

The Mongolian firm signed a treaty with an Italian firm "LAMPOMACCHINA" on the delivery of comprehensive technological line on producing fashion shoes. The export and import treaties were also signed with a number of firms from England, Federal Republic of Germany, Italy, Holland and Switzerland

Small Hural Names New Government Officials

OW2809203790 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1523 GMT 28 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, September 28 (OANA-MONTSAME)—At its yesterday's evening session the State Small Hural (SSH) started discussing the MPR [Mongolian People's Republic] Government composition. By using his right, granted by the law on amendments to the MPR Constitution, MPR Prime Minister D. Byambasuren proposed the candidatures to government members.

He proposed to the post of the first deputy prime minister the candidature of C. Purevdorj, who has been the deputy chairman of the MPR Council of Ministers, and to deputy prime ministers D. Ganbold, [words indistinct] National Progress and D. Dorligjav, one of the leaders of the Mongolian Democratic Party (MDP).

D. Byambasuren included into the composition of his cabinet Gombosuren—minister for foreign relations, K. Tserenborj—minister for justice, S. Jadambaa—minister for defence, A. Bazarhuu—minister for finance, N. Urtnasan—minister for education, P. Nyamdavaa—minister for health, C. Badamhand—minister for labour, D. Radnaaragchaa, minister for agriculture, B. Jigjid—minister for energy, Bayarbaatar—minister for trade and industry, [name indistinct] minister for national development and Z. Batjargal—state minister and chairman of the state committee for nature and environmental monitoring.

As a result of discussion by SSH members Dom Ganbold became the first deputy prime minister instead of C. Purevdorj, who together with D. Dorligjav became deputy prime ministers.

At today's morning session the SSH members are discussing other candidates to the MPR government members.

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Small Hural Discusses Supreme Court Composition

OW2809203890 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1550 GMT 28 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, September 28 (OANA-MONTSAME)—At yesterday's morning session the SSH [State Small Hural] discussed the issue concerning the strength of the MPR [Mongolian People's Republic] Supreme Court composition. It was decided that the supreme judge would have two deputies and the supreme court would consist of 21 members. According to the proposal of G. Bahdal, MPR procurator-general, the SSH members discussed the issue concerning the fixing of the number of his deputies. It was decided that the procurator-general will have his first deputy and [words indistinct]. The SSH members unanimously approved the resolution on the strength of the MPR Supreme Court composition.

After the lunch the SSH continued its session, at which MPR prime minister, D. Byambasuren named the candidatures, whom he wants to include into the government composition. Among the nominees are the members of the MPRP, Mongolian Democratic Party (MDP) and the Party of National Progress (PNP). Their average age is [words indistinct] 44 percent of them are the scholars with certain academicians degrees. The SSH session continues its work.

Taxi Drivers on Strike for Better Conditions

OW2809123290 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1033 GMT 27 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, September 26 (OANA-MONTSAME)—More than 50 taxi drivers went on strike on the Suhbaatar Square before the building of the executive board of the city hural of people's deputies (municipality).

The petition, handed to the leadership of the municipality on behalf of the T.U. [Trade Unions] and Council of Work Collective of the Taxi Depot, contains the demands to improve labour conditions and solve social problems, in particular, the housing problem, ensure the rights of drivers to be defended, who very often suffer from hooligan passengers. They are unsatisfied with the fact that the taxi depot is being directly transferred to a new taxi depot complex. According to a taxi driver, who is on a strike on the central square, "There are no possibilities to work. Winter is near, the heating system is very bad in the garage. The drivers have to lie on the cold ground in order to repair their cars".

In case the authorities do not take any appropriate measures before 3 October 1990 then the taxi drivers "have to resort to other means of defending their rights in accordance with the rights granted by the MPR [Mongolian People's Republic] Constitution".

At present the delegation of drivers is holding talks with L. Enebish, chairman of the executive board of the city hural of people's deputies. The taxi drivers have not responded to the demand of the authorities to free the square.

Army Paper Article Views Defense Policy

OW2809080690 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1410 GMT 27 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 27 Sep (OANA-MONTSAME)—The defence policy of the MRP [Mongolian People's Republic] in today's new military and political conditions emerging in the world is the main topic of an article published in today's issue of the Army paper "ULAAN OD".

Its author, R. Bold writes that today the country faces an urgent need in elaborating careful policy in the sphere of ensuring the country's security. Because of the lack of this policy which could meet the national interests of the country, of late, there is a trend towards belittling the role of army in ensuring state security. Some even demand to disband the army, the author notes. According to him, it is a naive and irresponsible attitude towards that important matter. He further continues that it is necessary [words indistinct] main trends in present-day world is that the defence policy of that or another country starts gaining a political character, especially today, when the era of confrontation is going to the past. But the necessity of ensuring the security and territorial integrity of states including Mongolia, still exists, R. Bold stresses.

The author also emphasizes the need in training skilled military personnel and managers having not only military experience but also a knowledge in the sphere of planning, economy, international diplomacy and international law in order to elaborate national policy of defence and implement it. As the author points out, now it is time for developing relations between the foreign policy and defence policy which would allow to make all necessary corrections in the sphere of state security proceeding from the changes underway in the world. Of great significance would become the establishment of parliamentary and through it public control over the activity of ministry of defence and other military organizations, R. Bold underlines.

Evictions From Former Soviet Dwellings Planned

OW2809082090 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1042 GMT 27 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 26 Sep (OANA-MONTSAME)—Representatives of about 120 families who occupied without any permission the two dwellings left by leaving Soviet experts, met today with G. Bahdal, the MPR [Mongolian People's Republic] prosecutor-general. In

accordance with the resolution issued by public prosecutor's office, these families are to be evicted. That was told to representative of these families by the MPR prosecutor-general.

At their request G. Bahdal agreed to stop temporarily the eviction up to the meeting with the MPR president. [Word indistinct] to Mongolian squatters, at their previous meeting with the president, the latter promised to "regulate" the problem taking into account the desperate situation of these families. Now these families were sharing rooms with their relatives or living in houses which long ago were suitable only for being destroyed.

MONTSAME Reviews Articles for 11 Sep

OW1209015290 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 0858 GMT 11 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 11 September (OANA-MONTSAME)—The Mongolian press continues to highlight the work of the People's Great Hural [PGH] of 12th convocation which is held here in Ulaanbaatar. Yesterday's issues of the papers "ARDYN ERH" and "UNEN" reported on the elections of the deputy chairman and secretary of the State Small Hural [SSH], the country's standing legislature. A number of deputies were nominated to these posts and some of them withdrew their nominees. The secret ballot, in which 99.5 percent of all deputies to take part, results in electing K. Dzardyhan the SSH deputy chairman and B. Chimid the SSH secretary, who won the majority of votes. The session also discussed the nomination of SSH members. S. Gungaadorj, chairman of the MPR [Mongolian People's Republic] Council of Ministers, made a statement in connection with the expiry of the terms of the Council of Ministers. After hearing his brief review, the MPR People's Great Hural adopted his statement and entrusted S. Gungaadorj to fulfill his duties till a new government head was appointed.

"UNEN" reports that a press conference was held on Saturday, which was organized by a press and information group of the MPR People's Great Hural. R. Gonchigdorj, vice president and SSH chairman, K. Dzardyhan, the SSH deputy chairman and B. Chimid, SSH secretary, spoke about the course of the work of the PGH first assembly and answered the questions put by press people.

The paper continues to cover widely the course of the urgent agricultural campaigns. The "UNEN" correspondent in Bayan-Olgii Province writes that insufficient attention is paid to the use of local resources in order to procure the fodder, and the same time a great amount of hay are being transported from the most far away areas. This exceeds many times the cost price of meat taking into account the huge transport expenses. This province also does not take care of building store houses for potatoes and vegetables. However, those stores which this province has are able to keep only less than the half of them. The correspondent emphasizes the need of

displaying a new approach towards the storing of fodder and keeping harvest, in part, applying the forms of contract and lease.

In its signed article the paper writes about the importance of professional thinking of experts in trade. Of growing significance are high responsibility of commodity experts and the use of flexible prices in conditions of the growing needs of the population for consumer goods.

On the occasion of the Day of Culture and Art Workers of the country the paper carries an essay about G. Haydab, MPR people's actor, the first Mongolian professional opera singer who graduated from the conservatoire. Over many years of his work in the theatre he performed more than 20 leading tenor parts both in national and classical operas and now he is the lecturer at the newly-set up Institute of Culture and Art.

The paper also writes about B. Batbayar, senior coach of the Mongolian National Boxing Team. Under his leadership, Mongolian boxers achieved great successes in the international arena. Now they are training for the forthcoming Asian Games in Beijing.

Under the heading "From Archives Fund" the paper writes that in the 1930-40s many party and state leaders of the country were sent to the Soviet Union on exile. Many of them wanted and requested to come back to their country, but they were not allowed. Today's issue of the paper publishes the letters of then the Ambassador of the MPR to the USSR J. Dendeb addressed to H. Choybalsan on the requests of the former Prime Minister P. Genden, former MPRP CC [Mongolian People's Revolutionary Party] secretaries O. Badrah and D. Shijee to go back home.

On the occasion of the National Day of the DPRK, Chen Yun-ho, ambassador extraordinary and plenipotentiary of the DPRK to the MPR, provided the "UNEN" correspondent with an interview. In its international section, the paper continues to highlight the situation in the Persian region.

The trade union paper "HODOLMOR" criticizes the slow process of renewing the Mongolian trade unions [MTU]. It notes that the MTU have not yet started working out legal acts concerning the rights and interests of the working people. It is high time the MTU intensify its renewal in order to fulfill with honour its duties before its members and the entire working people of the country.

The paper, under the heading "The Tribune of Pluralism," publishes an article by journalist S. Lochin devoted to the problems of overcoming the consequences of stagnation in the country's economy, forming the new political state system, and switching to market economy.

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Further Articles

OW1209085690 Ulaanbaatar MONTSAME in English
to BAKHTAR Kabul 1615 GMT 11 Sep 90

["Press Review"]

[Excerpts] Ulaanbaatar, September 11 (OANA-MONTSAME)—The First Assembly of the MPR [Mongolian People's Republic] People's Great Hural [PGH] is, as before, in the focus of attention of Mongolian central newspapers. The PGH elected through a secret ballot the members of the State Small Hural (SSH). Among 50 SSH members there are 31 representatives from the Mongolian People's Revolutionary Party (MPRP), 13 representatives from the Mongolian Democratic Party (MDP), 3 representatives from the Social-Democratic Party (SDP). The PGH appointed D. Byambasuren the prime minister and entrusted him to form a new government of the country.

The government paper "ARDYN ERH" carries greeting messages in the name of the Mongolian First President G. Ochirbat from Yang Shangkun, chairman of the PRC, Vo Chi Cong, chairman of the State Council of the SRV, No Tae-u, president of South Korea, and I. Iliescu, president of Romania. The paper publishes the outcomes of the opinion poll carried out by the Centre of Studying the State Policy and Social Problems under the MPR Council of Ministers among PGH deputies. It shows that 79 percent of the pollees believe that the process of democratization in the country has not become irreversible yet. In this connection the paper points out that it is expedient to guarantee the further development of democracy in the country.

"ARDYN ERH" reports on the start of harvesting throughout the country. The paper underscores that the harvesting starts this year behind the scheduled because of unfavourable weather conditions. However it cannot be regarded normal. As of the 1st of September, only 500 tons of grain were gathered in which is by 20 times less than that of the corresponding period of 1989. All this demands maximum mobilization of reserves for completing the harvesting and haying at a shortest possible time, the paper writes.

The editorial entitled of "UNEN" entitled "The President of the State" notes that the MPR president is the head of the people's state and the guarantee of independence and unity of the Mongolian people. It writes that among many urgent tasks to be solved by the president are the tasks of driving the country out of the crisis situation, ensuring the high level of its development and improving reliably the welfare of its people. [passage omitted]

Today's issue of "UNEN" carries an article under the traditional heading "Pages of the History" about Taij Jantsangombodorj (noble man) who supported the 1921 people's revolution and the People's Party. He was even elected the member of the presidium of the primary party organization in his provincial district. Despite his

progressive ideas and activities, Jantsangombodorj was subjected to repression in the 1930's because he was of a feudal origin.

"UNEN" writes that the researchers of the Institute of Chemistry of the MPR Academy of Sciences have worked out the technology of producing a biostimulator out of coal and founded a small workshop for the production of such a substance at the Baga Nuur colliery. This workshop is to produce 30 tons of substances out of coal a year.

The paper carries an interview of its correspondent with B. Doljintseren, the former deputy representative of the MPR at the U.N. He tells about the activities of the Mongolian mission at the U.N. and emphasizes the possibility of developing economic cooperation of the MPR with the United States.

In its international section "UNEN" reports on the meeting between the Soviet and U.S. Presidents M.S. Gorbachev and G. Bush and carries the full text of their joint statement in connection with the events in the Persian Gulf region. It also reports on the work of the regular session of the National People's Congress of the PRC and on the law on autonomy of industrial enterprises adopted in Romania.

The trade union paper "HODOLMOR" informs of the meeting of the Presidium of the Mongolian Trade Unions (MTU) which discussed the issues of realizing the decisions of the plenum. The training and retraining of TU workers, on perfecting the work of rest homes and sanatoriums as well as the activities of culture houses, centres, and libraries. [sentence as received]

B. Jigjidsuren, the eldest TU worker, writes that despite omissions, the Mongolian Trade Unions over 60 years of its existence have been steadily defending the interest of the working people. He regards as unjust and ungrounded the statement by S. Zorig, chief coordinator of the Mongolian Democratic Association, who said that the Mongolian Trade Unions did not fulfill its duties of protecting and expressing the rights and interests of the working people.

MONTSAME Reviews Articles for 12 Sep

OW1309132790 Ulaanbaatar MONTSAME in English
to BAKHTAR Kabul 0640 GMT 13 Sep 90—FOR
OFFICIAL USE ONLY

[Press Review]

[Text] Ulaanbaatar, September 12 (OANA-MONTSAME)—The ruling party paper "UNEN" reports that yesterday's session of the first assembly of the MPR [Mongolian People's Republic] People's Great Hural [GPH] continued discussing the obligations of the new government, to be formed by D. Byambasuren, newly appointed prime minister of the MPR. The PGH examined the issue of electing the chairman of the MPR

Supreme Court. Candidates to this post were D. Dembereltseren and N. Baatarjab, nominated by MPR President P. Ochirbat and E. Batuul, the deputy from the 52nd election constituency, respectively. As a result of the secret ballot D. Dembereltseren was elected the chairman of the MPR Supreme Court by winning 66.3 percent of the votes. The PGH also discussed the issue of appointing the MPR procurator general.

The paper reports on a press conference organized by the press centre of the PGH first assembly, where Prime Minister D. Byambasuren made a speech. He underscored in part that the problems of developing the country's economy should be in the focus of attention. It is imperative to realize in the nearest future the switch from centralized planning to market economy. D. Byambasuren noted that all political parties had the common aim to ensure the rapid development of the country and raising the welfare of the people and there are possibilities for their joint active cooperation. Many PGH deputies share their views on the work of the first assembly of the MPR People's Great Hural. The majority of them express satisfaction with it thus noting that the assembly marks the start of democratization of society. Some deputies are of the opinion that long discussions of any issue at the assembly are linked exactly with the democratic situation emerged in the country.

The paper carries an article by D. Jalbaa, deputy chairman of the executive board of the Hural of People's Deputies of Selenge Province. He deals with the problems of outdoor economic policy, free market and forming the state based on the rule of law. The author writes that the errors committed in the country's development should not serve as the reason of rejecting the gained achievements. He welcomes the revival of national traditions, but he went on noting that this should not serve the interests of political ambitions of political parties.

Its signed article is devoted to the questions of development of culture in the country. It notes that while worshipping the heritages of national culture one should not forget respecting the classics of the world culture, the author writes. Young people like very much pop and rock music. It is not secret that there is less audience when famous operas are on the stage.

Under the title "From the Adventure Life of Marta Gering" the paper republishes the travel note from the Swiss newspaper about 91 year-old Swiss lady, who lived in Mongolia with her husband in the 1920's. Her husband worked as an engineer at the brick works. Marta Gering is still interested in Mongolia's life. She wrote a book entitled "Green Steppes, White Ghers".

In the international section, "UNEN" reports on the 4th session of the USSR Supreme Soviet and highly assesses the significance of the Soviet-American summit in Helsinki.

The capital paper "NIISLELIIN SONIN BICHIG" writes about the collective of the institute of chemistry of

the MPR Academy of Sciences, who worked out the technology of producing a biostimulator [as received] promoting the raising of the crop capacity.

MONTSAME Reviews Articles for 15 Sep

OW1609033790 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1541 GMT 15 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 15 Sep (OANA MONTSAME)—[words indistinct] paper "ARDIYN TOR" reports, the first assembly of the MPR [Mongolian People's Republic] State Small Hural (SSH) after adopting the time-limit and foundation of five standing committees, stopped temporarily its work up to 24th September 1990. The paper notes that the SSH members arouse discussion on the problem of taking into account the opinion of the minority of the SSH members. The participants in the assembly agreed to give floor again to the representatives of the minority in the SSH and only after it carry out the final voting. The SSH members admitted that such order would promote achieving of agreement between the members and making right decisions despite certain waste of time. The assembly also discussed the question dealing with the salary of SSH members. This question was decided to be transferred for the solution to the MPR president.

The paper publishes an article by S. Nadmid which is devoted to the education of humane feelings among the youth. The author says that the increasing crime rate among the young people arouses great alarm. Meanwhile, the Mongols, from time immemorial, used to avoid even threatening not speaking [as received] about violence.

The paper informs that basing on the government resolution on setting up economic banks, about 30 enterprises Ulaanbaatar light and food industry decided to found their own joint-stock bank and adopted their charter. Recently the Ministry of Finance had officially registered it and allowed its functioning. The joint-stock bank with a deposit around 100 million togrogs of capital is to start working from 1 October 1990.

"ARDIYN TOR" publishes an article by a political observer of Mongolian Radio D. Bazarvaan devoted to the results of Soviet-American summit meeting in Helsinki. The observer writes that for the first time ever after the World War II the leaders of the two superpowers expressed unanimous attitude towards "conflict" situation which is a result of the new political thinking. As D. Bazarvaan, says, the fact that the two leaders condemn the Iraqi aggression against Kuwait means that Helsinki started a new era in the West-East relations after putting an end to the "Cold War".

The ruling party paper centres attention on the way of harvesting which is an urgent problem in the country. The paper reports on the beginning of harvesting in Selenge, Arhangai and Bulgan Aimags noting that the

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collective of the "orhontuul" state farm from Selenge Aimag (province) is to gather about 14 metric centner per each hectare.

Almost three years ago "UNEN" advertised a contest for "silver fir-tree" prize timed to the paper's forth-coming 70th anniversary. In this connection the paper reminds that the main goal of the contest is the reviving of the forests which are under threat nowadays.

The paper also publishes a number of articles under the title "Man and Nature" devoted to the beginning of environmental protection month.

The paper publishes an article by G. Luvsantseren, general secretary of the Asian Buddhist Conference for Peace (ABCP) timed to the organization's 20th anniversary. The author writes that the ABCP became a mass and prestigious organization over the past 20 years uniting Buddhists from many countries. As the article reads, in the connection with the ABCP anniversary, the 8th general conference is to take place in Ulaanbaatar on 18-23 September 1990.

The paper writes about the beginning of the work of Polish parliament and final meeting between the Soviet Foreign Minister E. Shevardnaze and the U.S. Secretary of State J. Baker in Moscow as well as highlighting other world news.

The capital paper "NIISLELIYN SONIN BI-CHIG" reports on the opening of the first session of the Ulaanbaatar People's Hural of 16th convocation. The paper notes that 146 people were elected deputies to the Ulaanbaatar People's Hural, but still three electoral constituencies are to carry out elections once again.

The paper published the map of the Ulaanbaatar streets and squares with their new names.

MONTSAME Reviews Articles for 19 Sep

OW1909190890 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1344 GMT 19 Sep 90—FOR OFFICIAL USE ONLY

["Press Review"]

[Excerpts] Ulaanbaatar, 19 September (OANA-MONTSAME)—The ruling party paper "UNEN" publishes a whole page to the course of harvesting in the country. An article by "UNEN" observer notes that as a result of late ripening of grain and weather conditions this year, the harvesting started later than usually. But this cannot serve as an excuse for the slow way of harvesting at many state farms. The peculiarity of the current way of harvesting, the observer writes, is that the whole economic activity was given under authority of local bodies of power as well the sharp reduction of any kind of inspection from the centre. These circumstances demand special responsibility of local organizations which are to stop relying on the "aid" from above, the article says. [passage omitted]

Under the title "Health Is a Wealth of Nation", the paper published materials devoted to the problems of developing public health in Mongolia. The paper stresses that the strengthening of people's health is the primary task of not only public health protection bodies but also the entire people, especially the prevention medicine.

The international section of the paper informs of the speech by the U.S.S.R. President M.S. Gorbachev at the U.S.S.R. supreme council session, international conference on urgent problems of renewing the U.S.S.R. economy and transition to the market economy which started in Moscow. "UNEN" also reports on the situation in the Persian Gulf as well as highlights the world news.

The trade union paper "HUDULMUR" publishes an appeal of the Mongolian Trade Union Executive Committee to the workers of agricultural cooperatives and the Union of Animal Herdsmen and Farmers, members of agricultural cooperatives. The appeal supports the recent decision of the leadership of the Mongolian Trade Union (M.T.U.) and Union of Agricultural Cooperatives on admission of cooperative members to M.T.U.

The paper also writes about unfair distribution of houses at the Ulaanbaatar railway which caused "sit-down" strike. The paper says that there for a long time the distribution have been taking place according to personal relations without taking into account the needs of large families.

The capital paper "NIISLELYIYN SONIN BICHIG" reports on the end of the first session of Ulaanbaatar People's Hural of 16th convocation. The paper notes that the session has become a school of democracy and passed in business-like and open situation. The leading executives of Ulaanbaatar were elected at the session. L.Enebish was elected the chairman of the Ulaanbaatar People's Hural Executive Committee and chairman of the Presidium of the Ulaanbaatar People's Hural.

MONTSAME Reviews Articles for 24 Sep

OW2409132690 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1045 GMT 24 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 24 September. (OANA-MONTSAME)—The central Mongolian papers are widely highlighting the course of harvesting stressing the necessity of its completion in short terms. The governmental paper "ARDYN ERH" publishes a report of its correspondent who visited a number of state farms in Selenge Aimag (Province), one of the main grain-growing districts of the country. The correspondent notes that the laying-in of fodder and harvesting are successfully taking place at many state farms while at some other farms these works are still being delayed. According to the correspondent, the main reasons lay not in bad weather but in people's attitude to work.

The paper publishes the telegrammes of greetings sent by U.S. President G. Bush to MPR [Mongolian People's Republic] President P. Ochirbat and Prime Minister D. Byambasuren on the occasion of their appointments to these posts. The telegrammes express wishes of success to the process of political and economic renovation underway in Mongolia.

The paper also carries a talk of its correspondent with G. Bahdal, the MPR prosecutor-general and D. Dembereltseren, chairman of the MPR Supreme Court, elected at the MPR PGH [People's Great Hural] first assembly. They point out the significance of renovating the activities of courts and public prosecutor's department in forming the law-governed state. In particular, they say, that a court must become the third "power" and the Public Prosecutor's Office should be concentrated on realizing the supervision over the work of law enforcement bodies.

Under the title "People and Life," the paper publishes an article by D. Jantsan, leader of the government apparatus of governmental commission engaged in labour provision of employment of people released from their work on redundancy. He emphasizes that, as a result of reorganization, the apparatus of central party administrative and public bodies and departments reduced by more than 3300 persons. At present, about 2500 of them got jobs, and about 200 people retired. The author writes that many experts from agriculture branch who lost their jobs under redundancy, do not wish to work at rural areas. Still, there are a lot of people who do not want to work at suggested places in Ulaanbaatar. The author thinks that that is one of the reasons for enlarging the number of unemployed people.

The ruling party paper "UNEN" publishes a talk of its correspondent with N. Jantsan, member of the State Small Hural (SSH), who underlines the importance of forming a law-governed state, where the people's hurals are called to play an important role. N. Jantsan regards that it is not compulsory to have representatives of all strata of population in the people's hurals as it was earlier. He underlines that the main things are business-like qualities and abilities of deputies to represent the electors' interests.

The paper also carries a signed article devoted to the problems of renovating the mass and political work. It reads that, in the conditions of a multiparty system, great importance must be paid to the mass and political work among the workers, which should promote the patriotic and juridical education of people.

An article by D. Dashjamts, Cand. of Sc. (Philos.), is devoted to the former Politburo member and secretary of the MPRP [Mongolian People's Revolutionary Party] Central Committee D. Tumur-Ochir, who in mid 60s was accused of carrying out an "anti-party activity," and repressed. The Extraordinary Congress of the MPRP (April 1990) named these accusations as groundless, and rehabilitated D. Tumur-Ochir.

"UNEN" reports about the session of the USSR Supreme Court which discussed the draft programme on stabilizing economy and switching to open market economy set forward by the USSR President M.S. Gorbachev, as well as the formation of the new Government of Bulgaria, ratification of a treaty on German unification, other world news.

MONTSAME Reviews Articles for 25 Sep

OW2609133590 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1030 GMT 26 Sep 90—FOR OFFICIAL USE ONLY

["Press Review"—MONTSAME headline]

[Text] Ulaanbaatar, September 25 [OANA-MONTSAME]—Central newspapers of Mongolia cover information on the first session of the MPR [Mongolian People's Republic] State Small Hural (SSH) which resumed its work on September 24 after a short break. The session started discussing the proposals of MPR Prime Minister D. Byambasuren on the structure and composition of the new government. He proposes to form the new government consisting of 15 ministries and departments. Besides, it is envisaged to set up 9 central administrative bodies at the government. On the wish of SSH members, the prime minister explained substantially the structure and goals of the new government. He pointed out that the government would have the aim of carrying out the transition to market economy, realizing an outdoor foreign-economic policy, overcoming as soon as possible crisis phenomena in political, economic and spiritual life of society and solving urgent social tasks. [passage omitted]

S. Magban, director of a ceramic works, recalls of the fact that the State Small Hural was formed 40 years ago. At that time he was the deputy to the MPR People's Great Hural [GPH].

The paper [ARDYN ERH] carries an interview of its correspondent with S. Togtoh, secretary of the Commission of the MPRP CC [Mongolian People's Revolutionary Party Central Committee] Presidium on rehabilitation of those who were illegally repressed during the period of the personality cult in the 1930-1950s. He notes that as of today it became known that over 35,000 people were repressed, but new facts continue to come. S. Togtoh points out that in accordance with requests of the people the issue on speeding up the examination of the affairs connected with the repressed people at courts has been submitted to the PGH for consideration. S. Togtoh writes that the state granted one-time allowances to the repressed people and their successors. Such allowances are being also granted by ministries, departments and local organizations of power.

"ARDYN ERH" publishes numerous materials in connection with the current Month of Nature and Environmental Protection. J. Tserendeleg, vice president of the Mongolian Union of Nature and Environmental Protection, points out that the concern for nature protection

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should not be restricted within the framework of the current month, but should become the everyday concern and deeds of all citizens.

The ruling party paper "UNEN" in its editorial entitled "Stabilization of Society" writes that for further development of the country of great significance is mutual understanding and accord of all political forces, which is testified by the lessons of the past. The paper underscores the need of elaborating a correct strategy and tactics of restructuring. Political forces of the country should regulate acute problems and contradictions not through the methods of "out-door democracy," but through parliamentary methods.

"UNEN" carries an article by S. Ichinnorob, cand, hist. sc. about the trip of Mongolian revolutionaries to Soviet Russia in autumn 1920 with the request to render assistance in ruling out foreign invaders from the country, ensuring the victory of the people's revolution and solving socio-economic tasks. [passage omitted]

In its international section the paper reports on the meeting of the CPSU CC Politburo which discusses the issues related to the situation in the country and tasks of the party organizations in conditions of switch to market economy, on the work of the 39th Congress of the Bulgarian Socialist Party, the decision of Seim of Poland to hold general intermediate elections of the president as well as on the situation in the Persian Gulf region. The paper also carries news of the Mongolian NEWS AGENCY MONTSAME on opening the 11th Asian games in Beijing.

The trade union paper "HODOLMOR" publishes an interview of its correspondent with S. Batbayar, chairman of the Central Council of Mongolian Trade Unions [TU], who headed a Mongolian T.U. delegation to the People's republic of China. He notes that during the visit there were talks on developing mutual cooperation. Mongolian and Chinese trade unions intend to expand their friendly relations on the basis of mutual benefit, in particular, in the field of setting up joint small enterprises and exchange of skilled workers, tourists and experts.

The paper carries an open letter by the collective of the ore-dressing plant Bor-Ondor in address to the MPR President P. Ochirbat. The letter says about social problems of miners which are to be solved immediately.

MONTSAME Reviews Articles for 26 Sep

OW2809081290 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1015 GMT 27 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 26 Sep (OANA-MONTSAME)—The ruling party paper "UNEN" informs that the first session of the State Small Hural (SSH) yesterday continued discussing the questions related to the forming of a new government. SSH members paid great attention to the issue of setting up the Ministry for Agriculture,

raising the status of the state bank and statistical board and working out the concrete conception and principles of structure and activities of the new government. The SSH continues its work today.

In the focus of attention of central newspapers is the harvesting. The paper carries a photo reportage of its correspondent from the Bor Nuur state farm, which supplies the capital with potatoes and vegetables. It notes that despite complicated weather conditions the collective of the state farm completes the harvesting ahead of schedule. Ulaanbaatar school children rendered great help.

The paper points out that the Ulaanbaatar flour mill has considerably over fulfilled the plan of last months. Labour productivity increased there and the output of best quality flour reached 72 percent of the whole volume.

The paper carries an article by scholars C. Dzunudisuren and J. Eorjpureb. They emphasize the significance of electricity supply for the further development of economy. 1980-1987 energy consumption in industry and construction increased 2.1 fold. However at this period the national income grew up only 1.1 fold. [Word indistinct] it is seen from here, the scholars point out, it is [words indistinct] consumption and introduce into production the technology which allows to save energy.

Enhtubshin, cand. med. sc., in his article deals with the problems of renewing the sphere of public health. He points out that along with rendering medical assistance to the population great attention should be paid to protection of health of people and use of folk traditions of healthy living.

The paper writes about the work of the collective of the construction organization of Bayanhongor Province, where they actively use local resources of building materials and produce different types of production items. Bayanhongor construction workers plan to manufacture dwelling houses with the areas for subsidiary farming. The certain share profited from income is provided for own disposal of construction teams and this promotes the raising of initiatives of workers. "Reports on the exhibition of goods made by the famous Japanese "Sony" firm, which attracts great interest of Ulaanbaatarites and its guests.

The paper continues to cover the 11th Asian Games in Beijing, noting in part the success of Mongolian racing cyclists who bagged a silver medal in 100 km macadam race.

[Words indistinct] the MPR [Mongolian People's Republic]. The guests from Australia were received by J. Gomiojab, chairman of the MPR People's Great Hural [GPH], K. Dzhrdyhan, deputy chairman of the MPR State Small Hural as well as by the leaders of parliamentary groups of different political parties.

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In its international section the paper reports on the statement of USSR President M.S. Gorbachev made at the joint meeting of chambers of the USSR Supreme Soviet on the questions of stabilizing the national economy and switching to market economy, the congress of the Bulgarian Socialist Party, which adopted the party political programme, and on the initiative of six countries on the political settlement of the crisis situation in the Persian Gulf region.

The trade union paper "HODOLMOR" publishes the statements on representatives of different political parties on the restructuring process underway in the country. Journalist G. Jamyan, MPRP [Mongolian People's Revolutionary Party] members, notes that in present-day conditions it was quite justified that the PGH elected the president, but it would be expedient to elect the next president by the entire people. D. Suhbaatar, member of the Presidium of the Mongolian Democratic Party (MDP) expresses concern over the destruction of forest resources in his native province of Zabhan where there is the largest timber industry. He also emphasizes that the renovation should be carried out at the same time either in political sphere or in economy. In his interview B. Batbayar, chairman of the Mongolian Social-Democratic Party (SDP) expresses his view that only first steps are being made in the country to develop democracy. He underscores that the SDP's primary task is to review national traditions and develop pluralism. B. Batbayar himself failed to win in the July general elections, but SDP member R. Gonchingdorj was elected vice-president of the country and chairman of the State Small Hural.

The capital paper "ULAANBAATARYN SONIN BICHIG" carries an interview with G. Ganhuyag, first deputy chairman of the Executive Board of the City Hural of People's Deputies, who notes that the new administration directs its attention and efforts at solving many urgent problems that have been accumulated, first of all, at raising the living standards of the people.

The paper writes about the work of primary MPRP organizations to renew their activities. About 2000 people joined the MPRP this year alone in the capital.

MONTSAME Reviews Articles for 27 Sep

OW2809122390 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1035 GMT 27 Sep 90—FOR OFFICIAL USE ONLY

[Excerpts] Ulaanbaatar, September 27 (OANA-MONTSAME)—The ruling party paper "UNEN" reports that as a result of three-day discussion, the State Small Hural (SSH) decided to form the MPR [Mongolian People's Republic] Government consisting of 11 ministries and one state committee. The "UNEN" correspondents emphasize the fact that despite the promise of ensuring openness of its work the SSH held a number of meetings behind closed doors.

The paper informs of the meeting and friendly talk of L. Tudev, member of the MPRP CC [Mongolian People's Revolutionary Party Central Committee] Presidium and editor-in-chief of "UNEN", with Chen Ching [name as received], deputy editor of the newspaper "RENMIN RIBAO" and the members of his delegation of Chinese journalists. [passage omitted]

Under the heading "On the Threshold of Market" the paper [UNEN] reports on the start of activities of the joint-stock bank "Mongol Horshoo". Stockholders of the new bank are the Supreme Soviet of the Council of Cooperatives of Industry and Service, the Red Cross Executive Committee and the Central Council of the Union of Mongolian Trade Unions. The fixed capital of the bank accounts for 36 million tugriks. The leaders of cooperatives "Huleg" and "Hoh Tenger" are the first clients of the new bank. Representatives of certain banks and firms of Japan, Canada, the USA and FRG display interest to this bank.

The paper tells about the fate of pensioner G. Buuvee, MPRP member and former teacher, who was expelled from the party in 1969 for "his religious behaviour", who took part in the traditional religious ceremony. The party committee and party control committee of Ubs Province have recently restored his party membership since 1952 when G. Buuvee joined the MPRP, approving that G. Buuvee did not violate the party rule, but enjoyed his constitutional right to freedom of religious convictions.

"UNEN" writes about the work of the primary MPRP organization of Haliun District of Gobi Altay Province, which has worked out the conception of renewing its activities and implements this idea into life.

An article by Dr. H. Namsray, phys. math. sc., deals with the problems of raising the role of science during the transition to market economy.

The paper publishes materials concerning the nature and environmental protection, thus emphasizing the need of focusing more attention to the protection of fauna and flora and water resources of Gobi regions.

In its international section the paper reports that the USSR Supreme Soviet has adopted the law on additional measures aimed at stabilizing the economic, socio-political life of the country, and the congress of the Bulgarian Communist Party wound up its work.

The capital paper "NIISLELIYN SONIN BICHIG" carries a reportage about the start of a two-month campaign popularizing the vegetable food at public catering organizations in the capital. This campaign has the aim to promote the improvement of service and quality of food.

The paper correspondent visited the Ulaanbaatar MPRP Committee on the day when party membership cards were handed to new party members. Among them there are many young people who are eager to make their own contribution to the party renewal.

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The paper criticizes the slow process of repair work carried out by the repair organization of the capital. Many important enterprises including secondary schools are still being repaired. The repair workers try to explain it because of interrupted supply of building materials, but they do not display initiative and save the resources, the paper notes. [passage omitted]

The army paper "ULAAN OD" reports on the arrival of a Chinese military delegation led by Major-General Hu Jiaping. Head of foreign relations board of the Ministry of Defence of the PRC, in Ulaanbaatar at the invitation of the MPR Defence Ministry.

MONTSAME Reviews Articles for 28 Sep

OW2809203590 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1536 GMT 28 Sep 90—FOR OFFICIAL USE ONLY

[Excerpt] Ulaanbaatar, 28 September (OANA-MONTSAME)—The central Mongolian papers continue highlighting the work of the first assembly of the State Small Hural (SSH). Yesterday the SSH discussed the structure of the Supreme Court and prosecutor-general deputies and adopted the corresponding resolutions. It also considered the proposals made by the MPR [Mongolian People's Republic] Prime Minister D. Byambasuren about the candidates to the ministries and committee chairman included into the government. At a press conference K. Zardyhan, deputy chairman of the

SSH, informed the journalists of the SSH activity emphasizing that the representatives of the MPRP [Mongolian People's Revolutionary Party], Mongolian Democratic Party (MDP), Mongolian Social-Democratic Party (MSDP), the Party of National Progress (MPNP) as well as one-party organizations were all included in the SSH. The oldest among the SSH members is 58 and the youngest is 23.

The ruling party paper "UNEN" observer T. Dashdondov notes in his article that one of the first days of the SSH work was notified by adoption of the law on new government structure. But what is important is who would be the heads of the ministries and committee. The observer notes that the press very often receives criticism on the slow slow course of the SSH session. According to T. Dashdondov, these remarks could be hardly justified for the questions discussed demand very thoughtful approach.

Under the section "The MPRP and Restructuring" the paper [words indistinct] chairman of the primary party organization of Delgerhaan Soum (provincial district) of Dundgobi Aimeg (province). The primary party organization does a lot to renew the work of the party's activity, explain the MPRP policy and decisions, and it is also to J. Adya's merit. That is why the workers of the soum elected him deputy to the MPR People's Great Hural. [passage omitted]

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